Law 106–113 provided that this provision was effective with respect to services furnished on or after November 29, 1999. In the August 1, 2000 interim final rule with comment period, we clarified our policy and incorporated the provisions of section 403(e) of Public Law 106–113 in §§ 410.152 and 413.70 of the regulations.

As we indicated in the June 13, 2001 interim final rule with comment period (66 FR 32172), section 201(a) of Public Law 106–554 amended section 1834(g) of the Act to provide that there will be no collection of coinsurance, deductible, copayments, or any other type of cost sharing from Medicare beneficiaries with respect to outpatient clinical diagnostic laboratory services in a CAH.

Section 201(a) further provided that payment for these services will be made on a reasonable cost basis. Section 201(b) of the Public Law 106–554 amended section 1833(a) of the Act by eliminating any reference to CAHs receiving payment for outpatient clinical diagnostic laboratory services on a fee schedule basis. These amendments are effective for services furnished on or after November 29, 1999.

In the June 13 interim final rule with comment period, we incorporated the provisions of section 201 of Public Law 106–554 in § 413.70 of the regulations and changed the references cited in § 410.152(k)(2). To prevent any misunderstanding of the scope of section 201(a), we further revised § 413.70(b)(3)(iii) to clarify that payment to a CAH for clinical diagnostic laboratory tests for individuals who are not inpatients of the CAH will be made on a reasonable cost basis only if the individuals are outpatients of the CAH at the time the specimens are collected. Outpatient status will be determined under the definition in § 410.2, which provides that an ''outpatient'' is a person who has not been admitted as an inpatient but is registered as an outpatient and receives services (rather than supplies alone) from the CAH.

We indicated that we recognize that CAHs may appropriately function as reference laboratories, by performing clinical diagnostic laboratory tests on specimens from persons who do not meet the ''outpatient'' definition but have the specimens drawn at other locations, such as physician offices. Payment for clinical diagnostic laboratory tests for these other individuals (that are persons who are not patients of the CAH when the specimens are collected) will be made in accordance with the provisions of sections 1833(a)(1)(D) and 1833(a)(2)(D) of the Act.

*Comment:* One commenter on the August 1, 2000 interim final rule expressed the view that it was Congress' intent to pay CAHs for clinical diagnostic laboratory tests for outpatients on the basis of reasonable costs, not on the basis of a laboratory fee schedule. The commenter suggested that we develop and implement regulations permitting reasonable cost payment for these laboratory services.

*Response:* As explained earlier, section 201(a) of Public Law 106–554 subsequently modified the Medicare law to clearly require reasonable cost payment for those services and we have implemented that provision in the June 13, 2001 interim final rule with comment period (which is being finalized in this final rule).

*Comment:* Some commenters stated that CAHs frequently perform clinical diagnostic laboratory tests on specimens drawn from patients at physician offices, nursing homes, and assisted living facilities in the community where the CAH is located, and in other rural communities. The commenters recommended that reasonable cost payment be made to the CAH for these services because, in the commenters' view, doing so would help support the provision of health care in these settings.

*Response:* As explained above and in the preamble to the June 13 interim final rule with comment period, section 201(a) of Public Law 106–554 mandates reasonable cost payment to CAHs for clinical diagnostic laboratory tests to CAH patients but does not provide similar payment when the CAH functions as a reference laboratory for patients who do not come to the CAH but are seen at other locations. The statute does not provide for such payment for services to non-CAH patients. We believe these laboratory services provided to individuals who are not patients of a CAH should be paid for on the same basis as such services are generally paid for regardless of the fact that the CAH reference laboratory performed the testing, and that payment for them on a reasonable cost basis would extend the CAH payment methodology far beyond the CAH itself. Thus, we are not adopting the commenters' recommendation.

*Comment:* One commenter suggested that we not require CAHs to refund coinsurance amounts collected from beneficiaries and third-party payers for clinical diagnostic laboratory tests furnished to outpatients on or after November 29, 1999. The commenter stated that this would be appropriate because there has been confusion among some CAHs as to their responsibilities in this area, and returning these amounts could be burdensome for the CAHs.

*Response:* Public Law 106–554 clearly and consistently states that, effective November 29, 1999, these services are not subject to deductible or coinsurance amounts. Medicare Intermediary Manual Transmittal No. 1799 and Medicare Hospital Manual Transmittal No. 757, issued in June 2000, reemphasized this point. Therefore, we are not making any change in this final rule based on this comment.

e. Assistance With Fee Schedule Payment for Professional Services Under All-Inclusive Rate

Prior to enactment of Public Law 106–113, section 1834(g) of the Act provided that the amount of payment for outpatient CAH services would be the reasonable costs of the CAH in providing such services. However, the reasonable costs of the CAH's services to outpatients included only the CAH's costs of providing facility services, and did not include any payment for professional services. Physicians and other practitioners who furnished professional services to CAH outpatients billed the Part B carrier for these services and were paid under the physician fee schedule in accordance with the provisions of section 1848 of the Act.

In the August 1, 2000 final rule (65 FR 47100), we implemented section 403(d) of Public Law 106–113, which amended section 1834(g) of the Act to permit the CAH to elect to be paid for its outpatient services under an optional method. CAHs making this election would be paid amounts equal to the sum of the following costs, less the amount that the hospital may charge as described in section 1866(a)(2)(A) of the Act (that is, Part A and Part B deductibles and coinsurance amounts):

- For facility services, not including any services for which payment may be made as outpatient professional services, the reasonable costs of the CAH in providing the services; and
- For professional services otherwise included within outpatient CAH services, the amounts that would otherwise be paid under Medicare if the services were not included as outpatient CAH services.

Section 403(d) of Public Law 106–113 added section 1834(g)(3) to the Act to further specify that payment amounts under this optional method are to be determined without regard to the amount of the customary or other charge. The amendment made by

section 403(d) was effective for cost reporting periods beginning on or after October 1, 2000.

In the June 13, 2001 interim final rule with comment period (66 FR 32172), we implemented section 202 of Public Law 106–554, which amended section 1834(g) of the Act to provide that when a CAH elects the option to be paid for Medicare outpatient services under the reasonable costs for facility services plus fee schedule amounts for professional services method, Medicare will pay 115 percent of the amount it would otherwise pay for the professional services. This provision is effective for items and services furnished on or after July 1, 2001.

In the June 13 interim final rule with comment period, we revised the regulations at § 413.70(b)(3) to reflect the change in the level of payment for professional services under the alternative payment method for outpatient CAH services.

*Comment:* One commenter asked for an explanation of the relationship between payment to CAHs for CRNA services to outpatients at 115 percent of the amounts that would otherwise be payable under the physician fee schedule, and the pass-through of CRNA services costs under § 412.113(c) as described in the proposed rule published on May 4, 2001 (66 FR 22646).

*Response:* Under the proposed changes to §§ 413.70 and 412.113(c) that we included in our May 4, 2001 proposed rule, a CAH would be able to qualify for the CRNA pass-through (that is, reasonable costs payment for its costs of compensating CRNAs for their professional services to inpatients and outpatients) on the same basis as a hospital. If a particular CAH qualified for the CRNA pass-through and chose to claim payment under that method for its CRNA compensation costs, it would be paid on a reasonable cost basis for those costs. However, neither the CAH nor the individual CRNAs would then be permitted to bill under the physician fee schedule for any CRNA services to CAH patients. In particular, if the CAH chose the elective (115 percent) method of payment for professional services to CAH outpatients, its billings for those services could not include any amounts for CRNA services.

If a CAH was not qualified for the CRNA pass-through (because, for example, it furnished 500 or more surgical procedures requiring anesthesia per year), or was qualified but chose not to claim payment under the pass-through method, but did choose payment for professional services to CAH outpatients under the elective (115 percent) method, payment for CRNA services to outpatients would be made under the elective (115 percent) method. Under these circumstances, the CAH could not claim any CRNA compensation costs for the services on its cost report.

*Comment:* One commenter asked whether payment under the optional method described in § 413.70(b)(3) is available for all professional services to CAH outpatients in CAH space, including professional services the commenter described as ''clinic visits''.

*Response:* The optional method applies to professional services otherwise included within outpatient CAH services provided to CAH outpatients. Outpatient CAH services are those medical and other services furnished by a CAH on an outpatient basis. Services that are not otherwise provided in a CAH on an outpatient basis, such as services provided by a home health agency owned or operated by a CAH, are paid under the payment rules applicable to the specific provider or supplier type and cannot be made under the optional method of payment for outpatient CAH services.

*Comment:* One commenter asked whether physicians and other practitioners who would otherwise be permitted to bill the Medicare Part B carrier for their professional services provided to CAH patients could reassign their Part B billing rights for those services to the CAH under the existing reassignment rules.

*Response:* The commenter is correct in understanding that practitioners may reassign their billing rights for professional services provided to CAH patients under applicable reassignment rules. Such reassignment would be needed to help ensure that there is not duplicate billing for those services.

*Comment:* One commenter stated that our current manual instructions require all professional services to the outpatients of a particular CAH to be billed under either the method in § 413.70(b)(2) (reasonable costs for facility services, with billing by the practitioner to the carrier for professional services) or the optional method in § 413.70(b)(3) (reasonable costs for facility services with billing by the CAH for professional services). The commenter asked whether a CAH would be permitted to elect the § 413.70(b)(3) method on a practitioner-by-practitioner basis, so that some practitioners' services would be billed by the CAH while others would be billed by the practitioner.

*Response:* We appreciate the commenter's request and note that we have already addressed this issue in our regulations. Specifically, the regulations at § 413.70(b)(3)(i) state that once a CAH elects the optional method for payment of outpatient CAH services for a cost reporting period, the optional payment method remains in effect for all of that period and applies to all outpatient CAH services furnished to outpatients of the CAH during that period.

*Comment:* Some commenters noted that section 202 of Pubic Law 106–554 makes the 115 percent payment option for professional services to CAH outpatients available for services furnished on or after July 1, 2001. However, the commenters also stated that our program instructions state that the systems changes needed to permit payment at that level will not be available before October 1, 2001. The commenters asked for confirmation that the payment at the 115 percent level for services furnished on or afterJuly 1, 2001, will be made available to CAHs electing payment under the optional method, and suggested various alternatives, including possible retroactive payment adjustments by the intermediary, by which this could be accomplished.

*Response:* We appreciate the commenters' suggestions. We will continue to explore all feasible approaches to ensuring that payment is made in accordance with statutory requirements and will consider the various suggestions made by the commenter as we work to achieve this result.

f. Conforming Change—Conditions of Participation Relating to Compliance With Hospital Requirements at Time of Application for CAH Designation (§ 485.612)

Under the law in effect prior to enactment of Public Law 106–113, CAH status was available to facilities only if they were hospitals at the time of their application for designation as CAHs. This requirement was implemented through regulations at § 485.610 (Condition of participation: Status and limitations) and § 485.612 (Condition of Participation: Compliance with hospital requirements at time of application). As we previously noted, section 403(c) of Public Law 106–113 added subparagraphs (C) and (D) to section 1820(c)(2) of the Act to specify that recently closed facilities and facilities that had downsized from hospital status to being a clinic or health center would also be eligible to apply for CAH designation.

As noted earlier, in the August 1, 2000 final rule(65 FR 47052), we revised our regulations at § 485.610 to reflect the provisions of section 403(c) of the

Public Law 106–113. However, we inadvertently did not make a conforming change to § 485.612, which continues to state that the applicant facility must be a hospital with a provider agreement to participate in the Medicare program at the time it applies for designation as a CAH. To correct this oversight and reflect the provisions of section 403(c) in the regulations at § 485.612, in the June 13, 2001 interim final rule with comment period(66 FR 32183), we revised § 485.612 to state that the requirement to have a provider agreement as a hospital at the time of application does not apply to recently closed facilities as described in § 485.610(a)(2) or to health clinics or health centers as described in § 485.610(a)(3).

We did not receive any comments on this regulation revision and are adopting it as final.

g. Participation in Swing-Bed Program (Section 403(f) of Public Law 106–113)

Section 403(f) of Public Law 106–113, entitled ''Improvements in the Critical Access Hospital Program,'' included a provision on swing-bed agreements. In the August 1, 2000 interim final rule with comment period, we indicated that since our existing regulations at § 485.645 already provide for swing beds in CAHs, we were not making any changes to our regulations based on this provision.

We did not receive any comments on this provison and are adopting our interim decision not to make any changes to our regulations as final.

*C. Hospital Swing Bed Program*

In the August 1, 2000 interim final rule with comment period (65 FR 47042), we indicated that section 408(a) of Public Law 106–113 amended section 1883(b) of the Act to remove the provision that in order for a hospital to enter into an agreement to provide Medicare post-hospital extended care services, the hospital had to be granted a certificate of need for the provision of long-term care services from the State health planning and development agency (designated under section 1521 of the Public Health Service Act) for the State in which the hospital is located. Section 408(b) of Public Law 106–113 amended section 1883(d) of the Act to remove the provisions under paragraphs (d)(2) and (d)(3) that placed restrictions on lengths of stays in hospitals with more than 49 beds for post-hospital extended care services. These provisions are effective on the first day after the expiration of the transition period under section 1888(e)(2)(E) of the Act for payment for covered skilled nursing facility (SNF) services under the Medicare program; that is, at the end of the transition period for the SNF prospective payments system that began with the facility's first cost reporting period beginning on or after July 1, 1998 and extend through the end of the facility's third cost reporting period after this date.

The Medicare regulations that implemented the provision of section 1883(b) of the Act are located at § 482.66(a)(3). The regulations that implemented the provisions of sections 1883(d)(2) and (d)(3) of the Act are located at §§ 482.66(a)(6) and (a)(7). As a result of the changes made by section 408(a) and (b) of Public Law 106–113, in the August 1, 2000 interim final rule with comment period, we removed §§ 482.66(a)(3), (a)(6), and (a)(7). (Existing paragraphs (a)(4) and (a)(5) were redesignated as (a)(3) and (a)(4), respectively, as a result of the removal of existing paragraph (a)(3).)

We did not receive any comments on our revisions to the regulations in the interim final rule with comment period and are adopting them as final.

**VII. MedPAC Recommendations**

On March 1, 2001, the Medicare Payment Advisory Commission (MedPAC) issued its annual report to Congress, including several recommendations related to the inpatient operating payment system. Those related to the inpatient prospective payment systems included: accounting for new technology in hospital prospective payment systems, implementation of an occupational-mix adjusted wage index for FY 2005, financial performance and inpatient payment issues, and elimination of the weighting factors for direct GME for specialties with training beyond the initial residency period. In the May 4, 2001 proposed rule, we responded to these recommendations (66 FR 22713–22714).

In addition, we addressed Recommendation 5A concerning the update factor for inpatient hospital operating costs and for hospitals and hospital distinct-part units excluded from the prospective payment system in Appendix D to the proposed rule (and in Appendix C of this final rule).

*A. Accounting for New Technology in Hospital Prospective Payment Systems (Recommendations 3D and 3E)*

*Recommendation 3D:* For the inpatient payment system, the Secretary should develop formalized procedures for expeditiously assigning codes, updating relative weights, and investigating the need for patient classification changes to recognize the costs of new and substantially improved technologies.

*Response:* Section 533 of Public Law 106–554 directs the Secretary to develop a mechanism for ensuring adequate payment under the hospital inpatient prospective payment system for new medical services and technologies, and to report to Congress on ways to more expeditiously incorporate new services and technologies into that system. The discussion relating to new medical services and technologies was included in section II.D. of the May 4, 2001 proposed rule.

MedPAC states that a more formal system for assigning codes and investigating the need for DRG changes would have enabled the current system to more adequately respond to new technology. Although we believe the current process for assigning new codes has the advantage of being well-understood, we proposed a new process in the May 4 proposed rule. We will be finalizing this process in a separate final rule.

*Recommendation 3E:* Additional payments in the inpatient payment system should be limited to new or substantially improved technologies that add significantly to the cost of care in a diagnosis related group and should be made on a budget-neutral basis.

*Response:* Section 533 of Public Law 106–554 directed the Secretary to establish a mechanism by October 1, 2001. We will be finalizing this process in a separate final rule.

*B. Occupational-Mix Adjusted Wage Index for FY 2005 (Recommendation 4)*

*Recommendation:* To implement an occupation-mix adjusted wage index in FY 2005, the Secretary should collect data on wage rates by occupation in the fiscal year 2002 Medicare cost reports. Hospital-specific wage rates for each occupation should be supplemented by data on the mix of occupations for each provider type. The Secretary also should continue to improve the accuracy of the wage index by investigating differences in wages across areas for each type of provider and in the substitution of one occupation for another.

*Response:* In the May 4 proposed rule, we proposed to collect occupational mix data from hospitals through a supplemental survey to the cost report for cost reporting periods beginning during FY 2001. A more complete discussion of the proposed methodology in the May 4 proposed rule (66 FR 22674) and the public comments we received and our responses can be found in section III.C.3. of this final rule.

*C. Financial Performance and Inpatient Payment Issues (Recommendations 5B, 5C, and 5D)*

*Recommendation 5B:* In collecting sample patient-level data, CMS should seek to balance the goals of minimizing payment errors and furthering understanding of the effects of coding on case-mix change.

*Response:* The sample data referred to by MedPAC is the Payment Error Prevention Program (PEPP) Surveillance Sample. These data are collected to monitor the payment error rate for Medicare inpatient prospective payment system services and provide outcome data to measure PROs' performance in reducing payment errors in their respective States. This information can be appropriately weighted to reflect the true distribution of DRGs nationally. The sample data supplant the DRG validation sample that MedPAC used in its original 1996 through 1998 estimates. The current PEPP Surveillance Sample doubles the size of the earlier DRG validation sample. It is comprised of approximately 60,000 cases per year. We believe this is a sufficient number of cases to both monitor case-mix index changes and PRO performance on payment error reduction.

*Recommendation 5C:* Although the Benefits Improvement and Protection Act of 2000 improved the equity of the hospital disproportionate share adjustment, Congress still needs to reform this adjustment by:

- Including the costs of all poor patients in calculating low-income shares used to distribute disproportionate share payments; and
- Using the same formula to distribute payments to all hospitals covered by prospective payment.

*Response:* CMS is participating in a Medicare Technical Advisory Group workgroup concerning technical issues related to the collection of uncompensated care data relative to the Medicare disproportionate share formula. A worksheet and instructions to collect these data will be sent out for prior consultation this summer for revisions to the cost reports applicable for cost reporting periods beginning on or after October 1, 2001.

*Recommendation 5E:* The Congress should protect urban hospitals from the adverse effect of nearby hospitals being reclassified to areas with higher wage indexes by computing each area's wage index as if none of the hospitals located in the area had been reassigned.

*Response:* In the May 4 proposed rule as in this final rule, CMS includes the wage data for a reclassified hospital in both the area to which it is reclassified and the area where the hospital is physically located. We agree with MedPAC and believe that this will provide consistency and predictability in hospital reclassification and wage indices.

*D. Specialties With Training Beyond the Initial Residency Period (Recommendation 10)*

*Recommendation:* The Congress should eliminate the weighting factors that currently determine Medicare's direct graduate medical education payments and count all residencies equally through completion of residents' first specialty or combined program and subspecialty if one is pursued. Residents training longer than the minimum number of years required for board eligibility in a specialty, combined program, or subspecialty should not be included in hospitals' direct graduate medical education resident counts. These policy changes should be implemented in a budget-neutral manner through adjustments to the per resident payment amounts.

*Response:* Currently, Medicare payments to hospitals for direct GME is dependent, in part, on the initial residency period of the residents. Generally, the initial residency period is defined at § 413.86(g)(1) as the minimum number of years required for board eligibility, not to exceed 5 years. For purposes of determining the direct GME payment, residents are weighted at 1.0 FTE within the initial residency period, and at .5 FTE beyond the initial residency period. The limitation on the initial residency period was designed by Congress to limit full Medicare direct GME payment to the time required to train in a single specialty.

MedPAC states that Medicare's current direct GME payment policy of limiting full funding to the first specialty in which a resident trains provides a disincentive for hospitals to offer training in subspecialties or combined programs and, therefore, may influence hospitals' decisions on the types of residents that they train. MedPAC believes that Medicare should not influence workforce policy and recommends that the disincentive be removed to make Medicare payments policies neutral with regard to programs with prerequisites, subspecialties, and combined programs. Accordingly, MedPAC recommends that Congress eliminate the weighting factors associated with direct GME payment so that all residents would be counted for full direct GME payment through the completion of their first specialty, combined program, or subspecialty. Residents training beyond the minimum number of years required for board eligibility in a specialty, combined program, or subspecialty should not be counted for purposes of the direct GME payment.

MedPAC also believes that eliminating the weighting factors could potentially increase Medicare's direct GME payments by approximately 5 to 8 percent. Therefore, MedPAC recommends that hospitals' per resident amounts (PRAs), which are used to calculate the direct GME payment, be reduced so that this change can be implemented, to the extent possible, in a budget-neutral manner. MedPAC explains that, although further research is needed, it appears that hospitals with substantial subspecialty training (that is, at least 15 percent of the resident mix) would likely see a small net increase in payments, despite the reduction to the PRAs, while hospitals that do not have subspecialty training would likely see a small decrease in payments.

In response to MedPAC's recommendation, we question MedPAC's estimate that eliminating the weighting factors could increase Medicare direct GME payments by only 5 to 8 percent. We believe that subspecialty training constitutes a significant portion of all GME programs, and, consequently, the elimination of the weighting factors could potentially increase payments by far more than 8 percent. If budget neutrality is to be maintained, this could mean that the attendant reductions to the PRAs could be much greater than MedPAC might assume. For those teaching hospitals that have substantial subspecialty training, there is no guarantee that the decreases in the PRAs will be offset by the increases in the direct GME payments due to the elimination of the weighting factors.

While the recommendation would remove the existing disincentive for training in subspecialties, we believe the reductions to the PRAs, whether they are minimal or more significant, will be far more detrimental to the smaller teaching hospitals that have little or no subspecialty training. Many of these hospitals provide care to beneficiaries in rural, underserved areas and in nonhospital settings. We believe these conditions may discourage the expansion of residency training in these areas. It may be inappropriate to limit the direct GME funding to such hospitals, considering Congress' initiatives to encourage residency training in rural, underserved areas and in nonhospital settings. We also are unclear as to how MedPAC would implement the proposed reduction to the PRAs. MedPAC did not explain in

its recommendation how it would propose to do this.

**VIII. Other Required Information**

*A. Requests for Data from the Public*

In order to respond promptly to public requests for data related to the prospective payment system, we have established a process under which commenters can gain access to raw data on an expedited basis. Generally, the data are available in computer tape or cartridge format; however, some files are available on diskette as well as on the Internet at http://www.hcfa.gov/stats/pubfiles.html. In our May 4, 2001 proposed rule, we published a list of data files that are available for purchase (66 FR 22714–22716).

*B. Information Collection Requirements*

Under the Paperwork Reduction Act of 1995, we are required to provide 60-day notice in the **Federal Register** and solicit public comment before a collection of information requirement is submitted to the Office of Management and Budget (OMB) for review and approval. In order to fairly evaluate whether an information collection should be approved by OMB, section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires that we solicit comment on the following issues:

- The need for the information collection and its usefulness in carrying out the proper functions of our agency.
- The accuracy of our estimate of the information collection burden.
- The quality, utility, and clarity of the information to be collected.
- Recommendations to minimize the information collection burden on the affected public, including automated collection techniques.

In the May 4, 2001 proposed rule, we solicited public comments on each of these issues for the following sections that contain information collection requirements.

*Section 412.230(e)(2)(ii) Criteria for an Individual Hospital Seeking Redesignation to Another Rural Area or an Urban Area; § 412.232(d)(2)(ii) Criteria for All Hospitals in a Rural County Seeking Urban Redesignation; § 412.235 Criteria for All Hospitals in a State Seeking a Statewide Wage Index; and Revised § 412.273 Withdrawing an Application or Terminating an Approved 3-Year Reclassification*

Proposed §§ 412.230(e)(2)(ii) and 412.232(d)(2)(ii) specified that, for hospital-specific data for wage index changes for redesignations effective beginning FY 2003, the hospital must provide a 3-year average of its average hourly wages using data from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes. For other data, the hospital must provide a weighted 3-year average of the average hourly wage in the area in which the hospital is located and a weighted 3-year average of the average hourly wage in the area to which the hospital seeks reclassification. Proposed new § 412.235 specifies that in order for all prospective payment system hospitals in a State to use a statewide wage index, the hospitals as a group must submit an application to the MGCRB for a decision for reclassifications for wage index purposes. The proposed changes to § 412.273 incorporated proposed revised procedures for hospitals that request withdraw of their wage index application or termination of their wage index reclassification.

The final versions of these proposed changes, discussed in detail in section IV.G. of this final rule, implement sections 304 (a) and (b) of Public Law 106–554.

The information collection requirements associated with a hospital's application to the MGCRB for geographic reclassifications, including reclassifications for wage index purposes and the required submittal of wage data, that are codified in Part 412 are currently approved by OMB under OMB Approval Number 0938–0573, with an expiration date of September 30, 2002.

*Section 412.348(g)(9) Exception Payments*

As discussed in section V. of the May 4 proposed rule, Medicare makes special exceptions payments for capital-related costs through the 10th year beyond the end of the capital prospective payment system transition period for eligible hospitals that complete a project that meets certain requirements specified in § 412.348. In order to assist our fiscal intermediaries in determining the end of the 10-year period in which an eligible hospital will no longer be entitled to receive special exception payments, we proposed to add a new § 412.348(g)(9) to require that hospitals eligible for special exception payments under § 412.348(g) submit documentation to the intermediary indicating the completion date of their project (the date the project was put in use for patient care) that meets the project need and project size requirements outlined in §§ 412.348 (g)(2) through (g)(5). We proposed that, in order for an eligible hospital to receive special exception payments, this documentation would have to be submitted in writing to the intermediary by the later of October 1, 2001, or within 3 months of the end of the hospital's last cost reporting period beginning before October 1, 2001, during which a qualifying project was completed.

Because this provision is expected to affect less than 10 hospitals on an annual basis, this requirement is not subject to the PRA as stipulated under 5 CFR 1320.3(c).

In the August 1, 2000 interim final rule with comment period, we solicited public comments on each of these issues for the following section that contains information collection requirements.

*Section 412.103(b) Special treatment: Hospitals Located in Urban Areas and That Apply for Reclassification as Rural; Application Requirements*

Section 412.103(b) specifies that a facility seeking reclassification under sections 401 (a) or (b) of Public Law 106–113 must apply in writing to the CMS Regional Office and include documentation of the criteria on which its request is based. The application must be mailed; facsimile or other electronic means are not acceptable.

The hospital's application must include a copy of the State law or regulation or other authoritative document verifying that the requesting hospital is situated in an area determined to be rural by the State or the hospital is considered to be a rural hospital.

We estimate that it will take each hospital approximately 30 minutes to complete the application process. We estimate that additional time would be needed to collect the required documentation. This recordkeeping should take no more than approximately 2 hours. Therefore, the paperwork burden associated with the reclassification process would add up to an additional 2½ hours per hospital that request reclassification under section 401 of Public Law 106–113.

This information collection requirement has been submitted to the Office of Management and Budget for approval and is not effective until OMB approves it.

If you have any comments on any of these information collection and recordkeeping requirements, please mail one original and three copies within 30 days of the publication date directly to the following:

Centers for Medicare & Medicaid Services, Office of Information Services, Information Technology Investment Management Group,Division of HCFA Enterprise Standards,Room N2–14–26,7500 Security Boulevard,Baltimore, MD

21244–1850,Attn: John Burke, CMS–1158/31/78–F.

And

Office of Information and Regulatory Affairs, Room 10235, New Executive Office Building,Washington, DC 20503,Attn: Allison Eydt, HCFA Desk Officer.

**List of Subjects**

*42 CFR Part 405*

Administrative practice and procedure, Health facilities, Health professions, Kidney diseases, Medicare, Reporting and recordkeeping requirements, Rural areas,X-rays.

*42 CFR Part 410*

Health facilities, Health professions, Kidney diseases, Laboratories, Medicare, Reporting and recordingkeeping requirements, Rural areas, X-rays.

*42 CFR Part 412*

Administrative practice and procedure, Health facilities, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

*42 CFR Part 413*

Health facilities, Kidney diseases, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

*42 CFR Part 482*

Grant program-health, Hospitals, Medicaid, Medicare, Reporting and recordkeeping requirements.

*42 CFR Part 485*

Grant programs-health, Health facilities, Medicaid, Medicare, Reporting and recordkeeping requirements.

*42 CFR Part 486*

Health professions, Medicare, Organ procurement, X-rays.

Accordingly, 42 CFR chapter IV is amended as follows:

I. The interim final rule with comment period amending 42 CFR Parts 410, 412, 413, 482, and 485 which was published at 65 FR 47026 on August 1, 2000, is adopted as a final rule with the following changes:

## PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END–STAGE RENAL DISEASE SERVICES; PROSPECTIVELY DETERMINED PAYMENT RATES FOR SKILLED NURSING FACILITIES

1. The authority citation for Part 413 is revised to read as follows:

**Authority:** Secs. 1102, 1812(d), 1814(b), 1815, 1833(a), (i), and (n), 1871, 1881, 1883, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395d(d), 1395f(b), 1395g, 1395l(a), (i), and (n), 1395hh, 1395rr, 1395tt, and 1395ww).

2. Section 413.86 is amended by:

a. Revising the first sentence of the introductory text of paragraphs (g)(11)(i).

b. Revising the first sentence of the introductory text of paragraph (g)(11)(ii).

c. Revising paragraph (g)(11)(v)(C).

### § 413.86 Direct graduate medical education payments.

* * * * *

(g) * * *

(11) * * *

(i) If an urban hospital rotates residents to a separately accredited rural track program at a rural hospital(s) for two-thirds of the duration of the program, the urban hospital may include those residents in its FTE count for the time the rural track residents spend at the urban hospital. * * *

(ii) If an urban hospital rotates residents to a separately accredited rural track program at a rural nonhospital site(s) for two-thirds of the duration of the program, the urban hospital may include those residents in its FTE count, subject to the requirements under paragraph (f)(4) of this section. * * *

(v) * * *

(C) All residents that are included by the hospital as part of its rural track FTE count (not to exceed its rural track FTE limitation) must train in the rural area. However, where a resident begins to train in the rural track program at the urban hospital but leaves the program before completing the total required portion of training in the rural area, the urban hospital may count the time the resident trained in the urban hospital if another resident fills the vacated FTE slot and completes the training in the rural portion of the rural track program. An urban hospital may not receive graduate medical education payment for the time the resident trained at the urban hospital if another resident fills the vacated FTE slot and first begins to train at the urban hospital.

* * * * *

II. The interim final rule with comment period amending 42 CFR Parts 410, 412, 413, and 485 which was published at 66 FR 32172 on June 13, 2001, is adopted as a final rule with the following changes:

## PART 412—PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL SERVICES

1. The authority citation for Part 412 continues to read as follows:

**Authority:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

2. Section 412.108 is amended by revising paragraph (b) to read as follows:

### § 412.108 Special treatment; Medicare-dependent, small rural hospitals.

* * * * *

(b) *Classification procedures.* The fiscal intermediary determines whether a hospital meets the criterion in paragraph (a) of this section. A hospital must notify its fiscal intermediary to be considered for MDH status based on the criterion under paragraph (a)(1)(iii)(C) of this section. Any hospital that believes it meets this criterion to qualify as an MDH, based on at least two of the three most recent audited cost reporting periods, must submit a written request to its intermediary. The intermediary will make its determination and notify the hospital within 90 days from the date that it receives the hospital's request and all of the required documentation. If a hospital disagrees with an intermediary's determination, it should notify its intermediary and submit documentable evidence that it meets the criteria. The intermediary determination is subject to review under subpart R of part 405 of this chapter. MDH status is effective 30 days after the date of written notification of approval. The time required by the intermediary to review the request is considered good cause for granting an extension of the time limit for the hospital to apply for such a review.

* * * * *

III. For the reasons set forth in the preamble to this final rule, 42 CFR Chapter IV is amended as set forth below:

## PART 405—FEDERAL HEALTH INSURANCE FOR THE AGED AND DISABLED

A. Part 405 is amended as set forth below:

1. The authority citation for Part 405 continues to read as follows:

**Authority:** Secs. 1102, 1861, 1862(a), 1871, 1874, 1881, and 1886(k) of the Social Security Act (42 U.S.C. 1302, 1395x, 1395y(a), 1395hh, 1395kk, 1395rr, and 1395ww(k), and sec. 353 of the Public Health Service Act (42 U.S.C. 263a).

2. In § 405.2468, paragraph (f)(6)(ii) is republished and paragraph (f)(6)(ii)(D) is revised to read as follows.

### § 405.2468 Allowable costs.

* * * * *

(f) *Graduate medical education.*

* * *

(6) * * *

(ii) The following costs are not allowable graduate medical education costs—

* * * * *

(D) The costs associated with activities described in § 413.85(h) of this chapter.

* * * * *

## PART 412—PROSPECTIVE PAYMENT SYSTEMS FOR INPATIENT HOSPITAL SERVICES

B. Part 412 is amended as follows:

1. The authority citation for Part 412 continues to read as follows:

**Authority:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

2. Section § 412.2 is amended as follows:

a. The introductory text of paragraph (e) is republished.

b. Paragraph (e)(4) is revised.

### § 412.2 Basis of payment.

* * * * *

(e) *Excluded costs.* The following inpatient hospital costs are excluded from the prospective payment amounts and are paid on a reasonable cost basis:

* * * * *

(4) The acquisition costs of hearts, kidneys, livers, lungs, pancreas, and intestines (or multivisceral organs) incurred by approved transplantation centers.

* * * * *

3. Section 412.23 is amended by adding a new paragraph (i) to read as follows:

### § 412.23 Excluded hospitals: Classifications.

* * * * *

(i) *Changes in classification of hospitals.* For purposes of exclusions from the prospective payment system, the classification of a hospital is effective for the hospital's entire cost reporting period. Any changes in the classification of a hospital are made only at the start of a cost reporting period.

4. Section 412.25 is amended by adding a new paragraph (f) to read as follows:

### § 412.25 Excluded hospital units: Common requirements.

* * * * *

(f) *Changes in classification of hospital units.* For purposes of exclusions from the prospective payment system under this section, the classification of a hospital unit is effective for the unit's entire cost reporting period. Any changes in the classification of a hospital unit is made only at the start of a cost reporting period.

5. Section 412.63 is amended by revising paragraphs (t) and (u) to read as follows:

### § 412.63 Federal rates for inpatient operating costs for fiscal years after Federal fiscal year 1984.

* * * * *

(t) *Applicable percentage change for fiscal years 2002 and 2003.* The applicable percentage change for fiscal years 2002 and 2003 is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this subchapter) minus 0.55 percentage points for hospitals in all areas.

(u) *Applicable percentage change for fiscal year 2004 and for subsequent fiscal years.* The applicable percentage change for fiscal year 2004 and for subsequent years is the percentage increase in the market basket index for prospective payment hospitals (as defined in § 413.40(a) of this subchapter) for hospitals in all areas.

* * * * *

6. Section 412.92 is amended as follows:

a. Paragraph (b)(1)(iii)(A) is amended by revising the phrase ''50 mile radius'' to read ''35 mile radius''.

b. Paragraph (c)(1) is revised.

### § 412.92 Special treatment: Sole community hospitals.

* * * * *

(c) *Terminology.* * * *

(1) The term *miles* means the shortest distance in miles measured over improved roads. An improved road for this purpose is any road that is maintained by a local, State, or Federal government entity and is available for use by the general public. An improved road includes the paved surface up to the front entrance of the hospital.

* * * * *

### § 412.105 Special treatment: Hospitals that incur indirect costs for graduate medical education programs.

7. Section 412.105 is amended as follows:

a. The introductory text of paragraph (a) is republished.

b. Paragraph (a)(1) is revised.

c. Paragraph (d)(3)(vi) is revised.

d. A new paragraph (d)(3)(vii) is added.

e. Paragraph (f)(1)(ii)(C) is revised.

f. Paragraph (f)(1)(iii) is revised.

g. Paragraph (f)(1)(v) is amended by adding five sentences at the end.

h. In paragraph (f)(1)(vii), the reference to ''§ 413.86(g)(9)'' is removed and ''§ 413.86(g)(12)'' is added in its place.

i. Paragraph (f)(1)(ix) is revised.

### § 412.105 Special treatment: Hospitals that incur indirect costs for graduate medical education programs.

* * * * *

(a) *Basic data.* CMS determines the following for each hospital:

(1) The hospital's ratio of full-time equivalent residents, except as limited under paragraph (f) of this section, to the number of beds (as determined under paragraph (b) of this section). Except for the special circumstances for affiliated groups and new programs described in paragraphs (f)(1)(vi) and (f)(1)(vii) of this section, for a hospital's cost reporting periods beginning on or after October 1, 1997, this ratio may not exceed the ratio for the hospital's most recent prior cost reporting period after accounting for the cap on the number of allopathic and osteopathic full-time equivalent residents as described in paragraph (f)(1)(iv) of this section, and adding to the capped numerator any dental and podiatric full-time equivalent residents. The exception for new programs described in paragraph (f)(1)(vii) of this section applies to each new program individually for which the full-time equivalent cap may be adjusted based on the period of years equal to the minimum accredited length of each new program.

* * * * *

(d) *Determination of education adjustment factor.* * * *

* * * * *

(3) * * *

(vi) For discharges occurring during fiscal year 2002, 1.6.

(vii) For discharges occurring on or after October 1, 2002, 1.35.

* * * * *

(f) *Determining the total number of full-time equivalent residents for cost reporting periods beginning on or after July 1, 1991.* * * *

(1) * * *

(ii) * * *

(C) Effective for discharges occurring on or after October 1, 1997, the time spent by a resident in a nonhospital setting in patient care activities under an approved medical residency training program is counted towards the determination of full-time equivalency if the criteria set forth in § 413.86(f)(3) or § 413.86(f)(4) of this subchapter, as applicable, are met.

(iii)(A) Full-time equivalent status is based on the total time necessary to fill a residency slot. No individual may be counted as more than one full-time equivalent. If a resident is assigned to

more than one hospital, the resident counts as a partial full-time equivalent based on the proportion of time worked in any of the areas of the hospital listed in paragraph (f)(1)(ii) of this section, to the total time worked by the resident. A part-time resident or one working in an area of the hospital other than those listed under paragraph (f)(1)(ii) of this section (such as a freestanding family practice center or an excluded hospital unit) would be counted as a partial full-time equivalent based on the proportion of time assigned to an area of the hospital listed in paragraph (f)(l)(ii) of this section, compared to the total time necessary to fill a full-time residency slot.

(B) The time spent by a resident in research that is not associated with the treatment or diagnosis of a particular patient is not countable.

* * * * *

(v) * * * If a hospital qualified for an adjustment to the limit established under paragraph (f)(1)(iv) of this section for new medical residency programs created under paragraph (f)(1)(vii) of this section, the count of residents participating in new medical residency training programs above the number included in the hospital's FTE count for the cost reporting period ending during calendar year 1996 is added after applying the averaging rules in this paragraph (f)(l)(v) for a period of years. Residents participating in new medical residency training programs are included in the hospital's FTE count before applying the averaging rules after the period of years has expired. For purposes of this paragraph, for each new program started, the period of years equals the minimum accredited length for each new program. The period of years for each new program begins when the first resident begins training in each new program. Subject to the provisions of paragraph (f)(1)(ix) of this section, FTE residents that are displaced by the closure of either another hospital or another hospital's program are added to the FTE count after applying the averaging rules in this paragraph (f)(l)(v) for the receiving hospital for the duration of time that the displaced residents are training at the receiving hospital.

* * * * *

(ix) A hospital may receive a temporary adjustment to its full-time equivalent cap to reflect residents added because of another hospital's closure if the hospital meets the criteria specified in §§ 413.86(g)(8)(i) and (g)(8)(ii) of this subchapter. If a hospital that closes its residency training program agrees to temporarily reduce its FTE cap according to the criteria specified in §§ 413.86(g)(8)(i) and (g)(8)(iii)(B) of this subchapter, another hospital(s) may receive a temporary adjustment to its FTE cap to reflect residents added because of the closure of the residency training program if the criteria specified in §§ 413.86(g)(8)(i) and (g)(8)(iii)(A) of this subchapter are met.

* * * * *

8. Section 412.106 is amended by revising the heading of paragraph (e) and paragraph (e)(5) to read as follows:

**§ 412.106 Special treatment: Hospitals that serve a disproportionate share of low-income patients.**

* * * * *

(e) *Reduction in payments beginning FY 1998.* * * *

(5) For FY 2002, 3 percent.

* * * * *

**§ 412.113 [Amended]**

9. In § 412.113(c), including the heading for paragraph (c), the term ''hospital'', wherever it appears, is revised to read ''hospital or CAH'' (16 times).

10. Section 412.230 is amended by a new paragraph (a)(5)(v) and revising paragraph (e)(2) to read as follows:

**§ 412.230 Criteria for an individual hospital seeking redesignation to another rural area or an urban area.**

(a) * * *

(5) *Limitations on redesignation.*

* * *

(v) Beginning with wage index reclassification applications for FY 2003, if a hospital is already reclassified to a given geographic area for wage index purposes for a 3-year period, and submits an application for reclassification to the same area for either the second or third year of the 3-year period, that application will not be approved.

* * * * *

(e) *Use of urban or other rural area's wage index.* * * *

* * * * *

(2) *Appropriate wage data.* For a wage index change, the hospital must submit appropriate wage data as follows:

(i) For redesignations effective through FY 2002:

(A) For hospital-specific data, the hospital must provide data from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes during the fiscal year prior to the fiscal year for which the hospital requests reclassification.

(B) For data for other hospitals, the hospital must provide data concerning the average hourly wage in the area in which the hospital is located and the average hourly wage in the area to which the hospital seeks reclassification. The wage data are taken from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes during the fiscal year prior to the fiscal year for which the hospital requests reclassification.

(C) If the hospital is requesting reclassification under paragraph (e)(1)(iv)(B) of this section, the hospital must provide occupational-mix data to demonstrate the average occupational mix for each employment category in the area to which it seeks reclassification. Occupational-mix data can be obtained from surveys conducted by the American Hospital Association.

(ii) For redesignations effective beginning FY 2003:

(A) For hospital-specific data, the hospital must provide a weighted 3-year average of its average hourly wages using data from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes.

(B) For data for other hospitals, the hospital must provide a weighted 3-year average of the average hourly wage in the area in which the hospital is located and a weighted 3-year average of the average hourly wage in the area to which the hospital seeks reclassification. The wage data are taken from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes.

* * * * *

11. Section 412.232 is amended by revising paragraph (d)(2) to read as follows:

**§ 412.232 Criteria for all hospitals in a rural county seeking urban redesignation.**

* * * * *

(d) *Appropriate data.* * * *

* * * * *

(2) *Appropriate wage data.* The hospitals must submit appropriate data as follows:

(i) For redesignations effective through FY 2002:

(A) For hospital-specific data, the hospitals must provide data from the CMS wage survey used to construct the wage index in effect for prospective payment purposes during the fiscal year prior to the fiscal year for which the hospitals request reclassification.

(B) For data for other hospitals, the hospitals must provide the following:

(*1*) The average hourly wage in the adjacent area, which is taken from the CMS hospital wage survey used to

construct the wage index in effect for prospective payment purposes during the fiscal year prior to the fiscal year for which the hospitals request reclassification.

(*2*) Occupational-mix data to demonstrate the average occupational mix for each employment category in the adjacent area. Occupational-mix data can be obtained from surveys conducted by the American Hospital Association.

(ii) For redesignations effective beginning FY 2003:

(A) For hospital-specific data, the hospital must provide a weighted 3-year average of its average hourly wages using data from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes.

(B) For data for other hospitals, the hospital must provide a weighted 3-year average of the average hourly wage in the area in which the hospital is located and a weighted 3-year average of the average hourly wage in the area to which the hospital seeks reclassification. The wage data are taken from the CMS hospital wage survey used to construct the wage index in effect for prospective payment purposes.

12. Section 412.235 is added to read as follows:

**§ 412.235 Criteria for all hospitals in a State seeking a statewide wage index redesignation.**

(a) *General criteria.* For all prospective payment system hospitals in a State to be redesignated to a statewide wage index, the following conditions must be met:

(1) All prospective payment system hospitals in the State must apply as a group for reclassification to a statewide wage index through a signed single application.

(2) All prospective payment system hospitals in the State must agree to the reclassification to a statewide wage index through a signed affidavit on the application.

(3) All prospective payment system hospitals in the State must agree, through an affidavit, to withdrawal of an application or to termination of an approved statewide wage index reclassification.

(4) All hospitals in the State must waive their rights to any wage index classification that they would otherwise receive absent the statewide wage index classification, including a wage index that any of the hospitals might have received through individual geographic reclassification.

(5) New hospitals that open within the State prior to the deadline for submitting an application for a statewide wage index reclassification (September 1), regardless of whether a group application has already been filed, must agree to the use of the statewide wage index as part of the group application. New hospitals that open within the State after the deadline for submitting a statewide wage index reclassification application or during the approved reclassification period will be considered a party to the statewide wage index application and reclassification.

(b) *Effect on payments.*

(1) An individual hospital within the State may receive a wage index that could be higher or lower under the statewide wage index reclassification in comparison to its otherwise redesignated wage index.

(2) Any new prospective payment system hospital that opens in the State during the effective period of an approved statewide wage index reclassification will be designated to receive the statewide wage index for the duration of that period.

(c) *Terms of the decision.*

(1) A decision by the MGCRB on an application for a statewide wage index reclassification will be effective for 3 years beginning with discharges occurring on the first day (October 1) of the second Federal fiscal year following the Federal fiscal year in which the hospitals filed a complete application.

(2) The procedures and timeframes specified in § 412.273 apply to withdrawals of applications for redesignation to a statewide wage index and terminations of approved statewide wage index reclassifications, including the requirement that, to withdraw an application or terminate an approved reclassification, the request must be made in writing by all hospitals that are party to the application, except hospitals reclassified into the State for purposes of receiving the statewide wage index.

13. Section 412.273 is amended as follows:

a. The title of the section is revised.

b. Paragraphs (b) and (c) are redesignated as paragraphs (c) and (d), respectively.

c. A new paragraph (b) is added.

d. Redesignated paragraph (c) is revised.

**§ 412.273 Withdrawing an application or terminating an approved 3-year reclassification.**

* * * * *

(b) *Request for termination of approved 3-year wage index reclassifications.*

(1) A hospital, or a group of hospitals, that has been issued a decision on its application for a 3-year reclassification for wage index purposes only or for redesignation to a statewide wage index and has not withdrawn that application under the procedures specified in paragraph (a) of this section may request termination of its approved 3-year wage index reclassification under the following conditions:

(i) The request to terminate must be received by the MGCRB within 45 days of the publication of the annual notice of proposed rulemaking concerning changes to the inpatient hospital prospective payment system and proposed payment rates for the fiscal year for which the termination is to apply.

(ii) A request to terminate a 3-year reclassification will be effective only for the full fiscal year(s) remaining in the 3-year period at the time the request is received. Requests for terminations for part of a fiscal year will not be considered.

(2) *Reapplication within the approved 3-year period.*

(i) If a hospital elects to withdraw its wage index application after the MGCRB has issued its decision, it may terminate its withdrawal in a subsequent fiscal year and request the MGCRB to reinstate its wage index reclassification for the remaining fiscal year(s) of the 3-year period.

(ii) A hospital may apply for reclassification for purposes of the wage index to a different area (that is, an area different from the one to which it was originally reclassified for the 3-year period). If the application is approved, the reclassification will be effective for 3 years.

(c) *Written request only.* A request to withdraw an application or terminate an approved reclassification must be made in writing to the MGCRB by all hospitals that are party to the application or reclassification.

* * * * *

14. Section 412.274 is amended by revising paragraph (b) to read as follow:

**§ 412.274 Scope and effect of an MGCRB decision.**

* * * * *

(b) *Effective date and term of the decision.*

(1) A standardized amount classification change is effective for one year beginning with discharges occurring on the first day (October 1) of the second Federal fiscal year following the Federal fiscal year in which the complete application is filed and ending effective at the end of that Federal fiscal year (the end of the next September 30).

(2) A wage index classification change is effective for 3 years beginning with

discharges occurring on the first day (October 1) of the second Federal fiscal year in which the complete application is filed.

* * * * *

15. Section 412.348 is amended by revising paragraph (g)(6) and adding a new paragraph (g)(9) to read as follows:

**§ 412.348 Exception payments.**

* * * * *

(g) *Special exceptions process.* * * *

(6) *Minimum payment level.*

(i) The minimum payment level for qualifying hospitals will be 70 percent.

(ii) CMS will adjust the minimum payment level in one percentage point increments as necessary to satisfy the requirement specified in paragraph (h) of this section that total estimated payments under the exceptions process not exceed 10 percent of the total estimated capital prospective payment system payments for the same fiscal year.

* * * * *

(9) *Notification requirement.* Eligible hospitals must submit documentation to the intermediary indicating the completion date of a project that meets the project need requirement under paragraph (g)(2) of this section, the project size requirement under paragraph (g)(5) of this section, and, in the case of certain urban hospitals, an excess capacity test under paragraph (g)(4) of this section, by the later of October 1, 2001 or within 3 months of the end of the hospital's last cost reporting period beginning before October 1, 2001, during which a qualifying project was completed.

* * * * *

## PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES; PROSPECTIVELY DETERMINED PAYMENT RATES FOR SKILLED NURSING FACILITIES

C. Part 413 is amended as follows:

1. The authority citation for Part 413 continues to read as follows:

**Authority:** Secs. 1102, 1812(d), 1814(b), 1815, 1833(a), (i), and (n), 1871, 1881, 1883, and 1886 of the Social Security Act (42 U.S.C. 1302, 1395d(d), 1395f(b), 1395g, 1395l(a), (i), and (n), 1395hh, 1395rr, 1395tt, and 1395ww).

2. Section 413.70 is amended as follows:

a. Paragraph (a)(1) is republished.

b. A new paragraph (a)(1)(iv) is added.

c. Paragraph (a)(2) is revised.

d. A new paragraph (a)(3) is added.

e. Paragraph (b)(1) is revised.

f. Paragraph (b)(2)(i)(C) is revised.

g. New paragraphs (b)(4), (b)(5) and (b)(6) are added.

**§ 413.70 Payment for services of a CAH.**

(a) *Payment for inpatient services furnished by a CAH.*

(1) Payment for inpatient services of a CAH is the reasonable costs of the CAH in providing CAH services to its inpatients, as determined in accordance with section 1861(v)(1)(A) of the Act and the applicable principles of cost reimbursement in this part and in Part 415 of this chapter, except that the following payment principles are excluded when determining payment for CAH inpatient services:

* * * * *

(iv) The payment window provisions for preadmission services, specified in § 412.2(c)(5) of this subchapter and § 413.40(c)(2).

(2) Except as specified in paragraph (a)(3) of this section, payment to a CAH for inpatient services does not include any costs of physician services or other professional services to CAH inpatients, and is subject to the Part A hospital deductible and coinsurance, as determined under subpart G of part 409 of this chapter.

(3) If a CAH meets the criteria in § 412.113(c) of this subchapter for pass-through of costs of anesthesia services furnished by qualified nonphysician anesthetists employed by the CAH or obtained under arrangements, payment to the CAH for the costs of those services is made in accordance with § 412.113(c).

(b) *Payment for outpatient services furnished by CAH.*

(1) *General.*

(i) Unless the CAH elects to be paid for services to its outpatients under the method specified in paragraph (b)(3) of this section, the amount of payment for outpatient services of a CAH is the amount determined under paragraph (b)(2) of this section.

(ii) Except as specified in paragraph (b)(6) of this section, payment to a CAH for outpatient services does not include any costs of physician services or other professional services to CAH outpatients.

(2) *Reasonable costs for facility services.*

(i) * * *

(C) Any type of reduction to operating or capital costs under § 413.124 or § 413.130(j).

* * * * *

(4) *Costs of emergency room on-call physicians.*

(i) Effective for cost reporting periods beginning on or after October 1, 2001, the reasonable costs of outpatient CAH services under paragraph (b) of this section may include amounts for reasonable compensation and related costs for an emergency room physician who is on call but who is not present on the premises of the CAH involved, is not otherwise furnishing physicians' services, and is not on call at any other provider or facility.

(ii) For purposes of this paragraph (b)(4)—

(A) ''Amounts for reasonable compensation and related costs'' means all allowable costs of compensating emergency room physicians who are on call to the extent the costs are found to be reasonable under the rules specified in paragraph (b)(2) of this section and the applicable sections of Part 413. Costs of compensating emergency room physicians are allowable only if the costs are incurred under written contracts that require the physician to come to the CAH when the physician's presence is medically required.

(B) An ''emergency room physician who is on call' means a doctor of medicine or osteopathy with training or experience in emergency care who is immediately available by telephone or radio contact, and is available on site within the timeframes specified in § 485.618(d) of this chapter.

(5) *Costs of ambulance services.*

(i) Effective for services furnished on or after December 21, 2000, payment for ambulance services furnished by a CAH or an entity that is owned and operated by a CAH is the reasonable costs of the CAH or the entity in furnishing those services, but only if the CAH or the entity is the only provider or supplier of ambulance services located within a 35-mile drive of the CAH or the entity.

(ii) For purposes of paragraph (b)(5) of this section, the distance between the CAH or the entity and the other provider or supplier of ambulance services will be determined as the shortest distance in miles measured over improved roads between the CAH or the entity and the site at which the vehicles of the closest provider or supplier of ambulance services are garaged. An improved road for this purpose is any road that is maintained by a local, State, or Federal government entity and is available for use by the general public. An improved road will be considered to include the paved surface up to the front entrance of the hospital and the front entrance of the garage.

(6) If a CAH meets the criteria in § 412.113(c) of this subchapter for pass-through of costs of anesthesia services furnished by nonphysician anesthetists employed by the CAH or obtained under

arrangement, payment to the CAH for the costs of those services is made in accordance with § 412.113(c) of this chapter.

* * * * *

3. Section 413.86 is amended as follows:

a. Paragraph (e)(4)(ii)(C)(*1*) is revised.

b. Paragraph (e)(5)(iv) is removed.

c. Paragraph (g)(4) is revised.

d. Paragraph (g)(5) is revised.

e. In paragraph (g)(6), the reference to ''paragraph (g)(9)'' is removed and ''paragraph (g)(12)'' is added in its place.

f. Paragraph (g)(8) is revised.

**§ 413.86 Direct graduate medical education payments.**

* * * * *

(e) *Determining per residents amounts for the base period.* * * *

(4) * * *

(ii) * * *

(C) *Determining necessary revisions to the per resident amount.* * * *

(*1*) *Floor.* (*i*) For cost reporting periods beginning on or after October 1, 2000, and before October 1, 2001, if the hospital's per resident amount would otherwise be less than 70 percent of the locality-adjusted national average per resident amount for FY 2001 (as determined under paragraph (e)(4)(ii)(B) of this section), the per resident amount is equal to 70 percent of the locality-adjusted national average per resident amount for FY 2001.

(*ii*) For cost reporting periods beginning on or after October 1, 2001, and before October 1, 2002, if the hospital's per resident amount would otherwise be less than 85 percent of the locality-adjusted national average per resident amount for FY 2002 (as determined under paragraph (e)(4)(ii)(B) of this section), the per resident amount is equal to 85 percent of the locality-adjusted national average per resident amount for FY 2002.

(*iii*) For subsequent cost reporting periods beginning on or after October 1, 2002, the hospital's per resident amount is updated using the methodology specified under paragraph (e)(3)(i) of this section.

* * * * *

(g) *Determining the weighted number of FTE residents.* * * *

(4) For purposes of determining direct graduate medical education payments—

(i) For cost reporting periods beginning on or after October 1, 1997, a hospital's unweighted FTE count for residents in allopathic and osteopathic medicine may not exceed the hospital's unweighted FTE count (or, effective for cost reporting periods beginning on or after April 1, 2000, 130 percent of the unweighted FTE count for a hospital located in a rural area) for these residents for the most recent cost reporting period ending on or before December 31, 1996.

(ii) If a hospital's number of FTE residents in a cost reporting period beginning on or after October 1, 1997, and before October 1, 2001, exceeds the limit described in this paragraph (g), the hospital's total weighted FTE count (before application of the limit) will be reduced in the same proportion that the number of FTE residents for that cost reporting period exceeds the number of FTE residents for the most recent cost reporting period ending on or before December 31, 1996.

(iii) If the hospital's number of FTE residents in a cost reporting period beginning on or after October 1, 2001 exceeds the limit described in this paragraph (g), the hospital's weighted FTE count (before application of the limit), for primary care and obstetrics and gynecology residents and nonprimary care residents, respectively, will be reduced in the same proportion that the number of FTE residents for that cost reporting period exceeds the number of FTE residents for the most recent cost reporting period ending on or before December 31, 1996.

(iv) Hospitals that are part of the same affiliated group may elect to apply the limit on an aggregate basis.

(v) The fiscal intermediary may make appropriate modifications to apply the provisions of this paragraph (g)(4) based on the equivalent of a 12-month cost reporting period.

(5) For purposes of determining direct graduate medical education payment—

(i) For the hospital's first cost reporting period beginning on or after October 1, 1997, the hospital's weighted FTE count is equal to the average of the weighted FTE count for the payment year cost reporting period and the preceding cost reporting period.

(ii) For cost reporting periods beginning on or after October 1, 1998, and before October 1, 2001, the hospital's weighted FTE count is equal to the average of the weighted FTE count for the payment year cost reporting period and the preceding two cost reporting periods.

(iii) For cost reporting periods beginning on or after October 1, 2001, the hospital's weighted FTE count for primary care and obstetrics and gynecology residents is equal to the average of the weighted primary care and obstetrics and gynecology counts for the payment year cost reporting period and the preceding two cost reporting periods, and the hospital's weighted FTE count for nonprimary care residents is equal to the average of the weighted nonprimary care FTE counts for the payment year cost reporting period and the preceding two cost reporting periods.

(iv) The fiscal intermediary may make appropriate modifications to apply the provisions of this paragraph (g)(5) based on the equivalent of 12-month cost reporting periods.

(v) If a hospital qualifies for an adjustment to the limit established under paragraph (g)(4) of this section for new medical residency programs created under paragraph (g)(6) of this section, the count of the residents participating in new medical residency training programs above the number included in the hospital's FTE count for the cost reporting period ending during calendar year 1996 is added after applying the averaging rules in this paragraph (g)(5) for a period of years. Residents participating in new medical residency training programs are included in the hospital's FTE count before applying the averaging rules after the period of years has expired. For purposes of this paragraph (g)(5), for each new program started, the period of years equals the minimum accredited length for each new program. The period of years begins when the first resident begins training in each new program.

(vi) Subject to the regulations at paragraph (g)(8) of this section, FTE residents that are displaced by the closure of either another hospital or another hospital's program are added to the FTE count after applying the averaging rules in this paragraph (g)(5) for the receiving hospital for the duration of the time that the displaced residents are training at the receiving hospital.

* * * * *

(8) *Closure of hospital or hospital residency program.*

(i) *Definitions.* For purposes of this paragraph (g)(8)—

(A) ''Closure of a hospital'' means the hospital terminates its Medicare agreement under the provisions of § 489.52 of this chapter.

(B) ''Closure of a hospital residency training program'' means the hospital ceases to offer training for residents in a particular approved medical residency training program.

(ii) *Closure of a hospital.* A hospital may receive a temporary adjustment to its FTE cap to reflect residents added because of another hospital's closure if the hospital meets the following criteria:

(A) The hospital is training additional residents from a hospital that closed on or after July 1, 1996.

(B) No later than 60 days after the hospital begins to train the residents, the hospital submits a request to its fiscal intermediary for a temporary adjustment to its FTE cap, documents that the hospital is eligible for this temporary adjustment by identifying the residents who have come from the closed hospital and have caused the hospital to exceed its cap, and specifies the length of time the adjustment is needed.

(iii) *Closure of a hospital's residency training program.* If a hospital that closes its residency training program voluntarily agrees to temporarily reduce its FTE cap according to the criteria specified in paragraph (g)(8)(iii)(B) of this section, another hospital(s) may receive a temporary adjustment to its FTE cap to reflect residents added because of the closure of the residency training program if the criteria specified in paragraph (g)(8)(iii)(A) of this section are met.

(A) *Receiving hospital(s).* A hospital may receive a temporary adjustment to its FTE cap to reflect residents added because of the closure of another hospital's residency training program if—

(*1*) The hospital is training additional residents from the residency training program of a hospital that closed a program; and

(*2*) No later than 60 days after the hospital begins to train the residents, the hospital submits to its fiscal intermediary a request for a temporary adjustment to its FTE cap, documents that it is eligible for this temporary adjustment by identifying the residents who have come from another hospital's closed program and have caused the hospital to exceed its cap, specifies the length of time the adjustment is needed, and submits to its fiscal intermediary a copy of the FTE reduction statement by the hospital that closed its program, as specified in paragraph (g)(8)(iii)(B)(*2*) of this section.

(B) *Hospital that closed its program(s).* A hospital that agrees to train residents who have been displaced by the closure of another hospital's program may receive a temporary FTE cap adjustment only if the hospital with the closed program—

(*1*) Temporarily reduces its FTE cap based on the FTE residents in each program year training in the program at the time of the program's closure. This yearly reduction in the FTE cap will be determined based on the number of those residents who would have been training in the program during that year had the program not closed; and

(*2*) No later than 60 days after the residents who were in the closed program begin training at another hospital, submit to its fiscal intermediary a statement signed and dated by its representative that specifies that it agrees to the temporary reduction in its FTE cap to allow the hospital training the displaced residents to obtain a temporary adjustment to its cap; identifies the residents who were in training at the time of the program's closure; identifies the hospitals to which the residents are transferring once the program closes; and specifies the reduction for the applicable program years.

* * * * *

## PART 485—CONDITIONS OF PARTICIPATION: SPECIALIZED PROVIDERS

D. Part 485 is amended as follows:

1. The authority citation for part 485 continues to read as follows:

**Authority:** Secs. 1102 and 1871 of the Act (42 U.S.C. 1302 and 1395hh).

2. Section 485.610 is amended by revising paragraphs (a)(2)(ii) and (b) and adding a new paragraph (c) to read as follows:

**§ 485.610 Condition of participation: Status and location.**

(a) * * *

(2) * * *

(ii) Meets the criteria for designation under this subpart as of the effective date of its designation; or

* * * * *

(b) *Standard: Location in a rural area or treatment as rural.* The CAH meets the requirements of either paragraph (b)(1) or (b)(2) of this section.

(1) The CAH meets the following requirements:

(i) The CAH is located outside any area that is a Metropolitan Statistical Area, as defined by the Office of Management and Budget, or that has been recognized as urban under § 412.62(f) of this chapter;

(ii) The CAH is not deemed to be located in an urban area under § 412.63(b) of this chapter; and

(iii) The CAH has not been classified as an urban hospital for purposes of the standardized payment amount by CMS or the Medicare Geographic Classification Review Board under § 412.230(e) of this chapter, and is not among a group of hospitals that have been redesignated to an adjacent urban area under § 412.232 of this chapter.

(2) The CAH is located within a Metropolitan Statistical Area, as defined by the Office of Management and Budget, but is being treated as being located in a rural area in accordance with § 412.103 of this chapter.

(c) *Standard: Location relative to other facilities or necessary provider certification.* The CAH is located more than a 35-mile drive (or, in the case of mountainous terrain or in areas with only secondary roads available, a 15-mile drive) from a hospital or another CAH, or the CAH is certified by the State as being a necessary provider of health care services to residents in the area.

3. Section 485.639 is amended by revising paragraph (b) to read as follows:

**§ 485.639 Condition of participation: Surgical services.**

* * * * *

(b) *Anesthetic risk and evaluation.*

(1) A qualified practitioner, as specified in paragraph (a) of this section, must examine the patient immediately before surgery to evaluate the risk of the procedure to be performed.

(2) A qualified practitioner, as specified in paragraph (c) of this section, must examine each patient before surgery to evaluate the risk of anesthesia.

(3) Before discharge from the CAH, each patient must be evaluated for proper anesthesia recovery by a qualified practitioner, as specified in paragraph (c) of this section.

* * * * *

4. Section 485.643 is amended by revising paragraph (f) to read as follows:

**§ 485.643 Condition of participation: Organ, tissue, and eye procurement.**

* * * * *

(f) For purposes of these standards, the term ''organ'' means a human kidney, liver, heart, lung, pancreas, or intestines (or multivisceral organs).

## PART 486—CONDITIONS FOR COVERAGE OF SPECIALIZED SERVICES FURNISHED BY SUPPLIERS

F. Part 486 is amended as follows:

1. The authority citation for Part 486 continues to read as follows:

**Authority:** Sections 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

2. Section 486.302 is amended by revising the definition of ''organ'' to read as follows:

**§ 486.302 Definitions.**

* * * * *

''Organ'' means a human kidney, liver, heart, lung, pancreas, or intestines (or multivisceral organs).

* * * * *

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance)

Dated: July 23, 2001.

**Thomas A. Scully,**

*Administrator, Centers for Medicare & Medicaid Services.*

Dated: July 24, 2001.

**Tommy G. Thompson,**

*Secretary.*

**Editorial Note:** The following Addendum and appendixes will not appear in the Code of Federal Regulations.

## Addendum—Schedule of Standardized Amounts Effective With Discharges Occurring On or After October 1, 2001 and Update Factors and Rate-of-Increase Percentages Effective With Cost Reporting Periods Beginning On or After October 1, 2001

### I. Summary and Background

In this Addendum, we are setting forth the amounts and factors for determining prospective payment rates for Medicare inpatient operating costs and Medicare inpatient capital-related costs. We are also setting forth rate-of-increase percentages for updating the target amounts for hospitals and hospital units excluded from the prospective payment system.

For discharges occurring on or after October 1, 2001, except for SCHs, MDHs, and hospitals located in Puerto Rico, each hospital's payment per discharge under the prospective payment system will be based on 100 percent of the Federal national rate.

SCHs are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal national rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if qualified, 50 percent of the updated hospital-specific rate based on FY 1996 cost per discharge, plus the greater of 50 percent of the updated FY 1982 or FY 1987 hospital-specific rate or 50 percent of the Federal DRG payment rate. Section 213 of Public Law 106–554 amended section 1886(b)(3) of the Act to allow all SCHs to rebase their hospital-specific rate based on their FY 1996 cost per discharge.

Under section 1886(d)(5)(G) of the Act, MDHs are paid based on the Federal national rate or, if higher, the Federal national rate plus 50 percent of the difference between the Federal national rate and the updated hospital-specific rate based on FY 1982 or FY 1987 cost per discharge, whichever is higher.

For hospitals in Puerto Rico, the payment per discharge is based on the sum of 50 percent of a Puerto Rico rate and 50 percent of a Federal national rate. (See section II.D.3. of this Addendum for a complete description.)

As discussed below in section II. of this Addendum, we are making changes in the determination of the prospective payment rates for Medicare inpatient operating costs for FY 2002. The changes, to be applied prospectively, affect the calculation of the Federal rates. In section III. of this Addendum, we finalize changes to the prospective payment rates for inpatient operating costs for FY 2001, as set forth in the June 13, 2001 interim final rule with comment period. In section IV. of this Addendum, we discuss our changes for determining the prospective payment rates for Medicare inpatient capital-related costs for FY 2002. Section V. of this Addendum sets forth our changes for determining the rate-of-increase limits for hospitals excluded from the prospective payment system for FY 2002. The tables to which we refer in the preamble to this final rule are presented at the end of this Addendum in section VI.

### II. Changes to Prospective Payment Rates for Inpatient Operating Costs for FY 2002

The basic methodology for determining prospective payment rates for inpatient operating costs is set forth at § 412.63. The basic methodology for determining the prospective payment rates for inpatient operating costs for hospitals located in Puerto Rico is set forth at §§ 412.210 and 412.212. Below, we discuss the factors used for determining the prospective payment rates. The Federal and Puerto Rico rate changes will be effective with discharges occurring on or after October 1, 2001.

In summary, the standardized amounts set forth in Tables 1A and 1C of section VI. of this Addendum reflect—

- Updates of 2.75 percent for all areas (that is, the market basket percentage increase of 3.3 percent minus 0.55 percentage points);
- An adjustment to ensure budget neutrality as provided for under sections 1886(d)(4)(C)(iii) and (d)(3)(E) of the Act, by applying new budget neutrality adjustment factors to the large urban and other standardized amounts;
- An adjustment to ensure budget neutrality as provided for in section 1886(d)(8)(D) of the Act by removing the FY 2001 budget neutrality factor and applying a revised factor;
- An adjustment to apply the revised outlier offset by removing the FY 2001 outlier offsets and applying a new offset; and
- An adjustment in the Puerto Rico standardized amounts to reflect the application of a Puerto Rico-specific wage index.

#### *A. Calculation of Adjusted Standardized Amounts*

1. Standardization of Base-Year Costs or Target Amounts

Section 1886(d)(2)(A) of the Act required the establishment of base-year cost data containing allowable operating costs per discharge of inpatient hospital services for each hospital. The preamble to the September 1, 1983 interim final rule (48 FR 39763) contains a detailed explanation of how base-year cost data were established in the initial development of standardized amounts for the prospective payment system and how they are used in computing the Federal rates.

Section 1886(d)(9)(B)(i) of the Act required us to determine the Medicare target amounts for each hospital located in Puerto Rico for its cost reporting period beginning in FY 1987. The September 1, 1987 final rule (52 FR 33043, 33066) contains a detailed explanation of how the target amounts were determined and how they are used in computing the Puerto Rico rates.

The standardized amounts are based on per discharge averages of adjusted hospital costs from a base period or, for Puerto Rico, adjusted target amounts from a base period, updated and otherwise adjusted in accordance with the provisions of section 1886(d) of the Act. Sections 1886(d)(2)(B) and (d)(2)(C) of the Act required us to update base-year per discharge costs for FY 1984 and then standardize the cost data in order to remove the effects of certain sources of cost variations among hospitals. These effects include case-mix, differences in area wage levels, cost-of-living adjustments for Alaska and Hawaii, indirect medical education (IME) costs, and costs to hospitals serving a disproportionate share of low-income patients.

Under sections 1886(d)(2)(H) and (d)(3)(E) of the Act, in making payments under the prospective payment system, the Secretary estimates from time to time the proportion of costs that are wages and wage-related costs. Since October 1, 1997, when the market basket was last revised, we have considered 71.1 percent of costs to be labor-related for purposes of the prospective payment system. The average labor share in Puerto Rico is 71.3 percent. We are revising the discharge-weighted national standardized amount for Puerto Rico to

reflect the proportion of discharges in large urban and other areas from the FY 2000 MedPAR file.

2. Computing Large Urban and Other Area Averages

Sections 1886(d)(2)(D) and (d)(3) of the Act require the Secretary to compute two average standardized amounts for discharges occurring in a fiscal year: one for hospitals located in large urban areas and one for hospitals located in other areas. In addition, under sections 1886(d)(9)(B)(iii) and (d)(9)(C)(i) of the Act, the average standardized amount per discharge must be determined for hospitals located in large urban and other areas in Puerto Rico. Hospitals in Puerto Rico are paid a blend of 50 percent of the applicable Puerto Rico standardized amount and 50 percent of a national standardized payment amount.

Section 1886(d)(2)(D) of the Act defines ''urban area'' as those areas within a Metropolitan Statistical Area (MSA). A ''large urban area'' is defined as an urban area with a population of more than 1 million. In addition, section 4009(i) of Public Law 100–203 provides that a New England County Metropolitan Area (NECMA) with a population of more than 970,000 is classified as a large urban area. As required by section 1886(d)(2)(D) of the Act, population size is determined by the Secretary based on the latest population data published by the Bureau of the Census. Urban areas that do not meet the definition of a ''large urban area'' are referred to as ''other urban areas.'' Areas that are not included in MSAs are considered ''rural areas'' under section 1886(d)(2)(D) of the Act. Payment for discharges from hospitals located in large urban areas will be based on the large urban standardized amount. Payment for discharges from hospitals located in other urban and rural areas will be based on the other standardized amount.

Based on 1999 population estimates published by the Bureau of the Census, 63 areas meet the criteria to be defined as large urban areas for FY 2002. These areas are identified in Table 4A.

3. Updating the Average Standardized Amounts

Under section 1886(d)(3)(A) of the Act, we update the average standardized amounts each year. In accordance with section 1886(d)(3)(A)(iv) of the Act, we are updating the large urban areas' and the other areas' average standardized amounts for FY 2002 using the applicable percentage increases specified in section 1886(b)(3)(B)(i) of the Act. Section 1886(b)(3)(B)(i)(XVII) of the Act as amended by section 301 of Public Law 106–554 specifies that the update factor for the standardized amounts for FY 2002 is equal to the market basket percentage increase minus 0.55 percentage points for hospitals in all areas. Section 301 also established that the update factor for FY 2003 is equal to the market basket percentage increase minus 0.55 percentage points. We are revising § 412.63 to reflect these changes.

The percentage change in the market basket reflects the average change in the price of goods and services purchased by hospitals to furnish inpatient care. The most recent forecast of the hospital market basket increase for FY 2002 is 3.3 percent. Thus, for FY 2002, the update to the average standardized amounts equals 2.75 percent for hospitals in all areas.

As in the past, we are adjusting the FY 2001 standardized amounts to remove the effects of the FY 2001 geographic reclassifications and outlier payments before applying the FY 2002 updates. That is, we are increasing the standardized amounts to restore the reductions that were made for the effects of geographic reclassification and outliers. We then apply the new offsets to the standardized amounts for outliers and geographic reclassifications for FY 2002.

Although the update factors for FY 2002 are set by law, we are required by section 1886(e)(3) of the Act to report to the Congress our initial recommendation of update factors for FY 2002 for both prospective payment hospitals and hospitals excluded from the prospective payment system.

We have included our final recommendations on the update factors in Appendix C to this final rule.

4. Other Adjustments to the Average Standardized Amounts

a. Recalibration of DRG Weights and Updated Wage Index—Budget Neutrality Adjustment

Section 1886(d)(4)(C)(iii) of the Act specifies that, beginning in FY 1991, the annual DRG reclassification and recalibration of the relative weights must be made in a manner that ensures that aggregate payments to hospitals are not affected. As discussed in section II of the preamble, we normalized the recalibrated DRG weights by an adjustment factor, so that the average case weight after recalibration is equal to the average case weight prior to recalibration.

Section 1886(d)(3)(E) of the Act requires us to update the hospital wage index on an annual basis beginning October 1, 1993. This provision also requires us to make any updates or adjustments to the wage index in a manner that ensures that aggregate payments to hospitals are not affected by the change in the wage index.

To comply with the requirement of section 1886(d)(4)(C)(iii) of the Act that DRG reclassification and recalibration of the relative weights be budget neutral, and the requirement in section 1886(d)(3)(E) of the Act that the updated wage index be budget neutral, we used FY 2000 discharge data to simulate payments and compared aggregate payments using the FY 2001 relative weights and wage index to aggregate payments using the FY 2002 relative weights and wage index. The same methodology was used for the FY 2001 budget neutrality adjustment. (See the discussion in the September 1, 1992 final rule (57 FR 39832).) Based on this comparison, we computed a budget neutrality adjustment factor equal to 0.995821. We also adjust the Puerto Rico-specific standardized amounts for the effect of DRG reclassification and recalibration. We computed a budget neutrality adjustment factor for Puerto Rico-specific standardized amounts equal to 0.997209. These budget neutrality adjustment factors are applied to the standardized amounts without removing the effects of the FY 2001 budget neutrality adjustments. For FY 2001, we used an average of the budget neutrality factor that was in effect from October 1, 2000 through March 30, 2001 and the budget neutrality factor that was in effect from April 1, 2001 through September 30, 2001 (0.997225 and 0.997122, respectively). We do not remove the prior budget neutrality adjustment because estimated aggregate payments after the changes in the DRG relative weights and wage index should equal estimated aggregate payments prior to the changes. If we removed the prior year adjustment, we would not satisfy this condition.

In addition, we will continue to apply these same adjustment factors to the hospital-specific rates that are effective for cost reporting periods beginning on or after October 1, 2001. (See the discussion in the September 4, 1990 final rule (55 FR 36073).)

b. Reclassified Hospitals—Budget Neutrality Adjustment

Section 1886(d)(8)(B) of the Act provides that, effective with discharges occurring on or after October 1, 1988, certain rural hospitals are deemed urban. In addition, section 1886(d)(10) of the Act provides for the reclassification of hospitals based on determinations by the Medicare

Geographic Classification Review Board (MGCRB). Under section 1886(d)(10) of the Act, a hospital may be reclassified for purposes of the standardized amount or the wage index, or both.

Under section 1886(d)(8)(D) of the Act, the Secretary is required to adjust the standardized amounts so as to ensure that aggregate payments under the prospective payment system after implementation of the provisions of sections 1886(d)(8)(B) and (C) and 1886(d)(10) of the Act are equal to the aggregate prospective payments that would have been made absent these provisions. To calculate this budget neutrality factor, we used FY 2000 discharge data to simulate payments, and compared total prospective payments (including IME and disproportionate share hospital (DSH) payments) prior to any reclassifications to total prospective payments after reclassifications. Based on these simulations, we are applying an adjustment factor of 0.990675 to ensure that the effects of reclassification are budget neutral.

The adjustment factor is applied to the standardized amounts after removing the effects of the FY 2001 budget neutrality adjustment factor. We note that the proposed FY 2002 adjustment reflected wage index and standardized amount reclassifications approved by the MGCRB or the Administrator as of February 28, 2001, and the effects of section 304 of Public Law 106–554 to extend wage index reclassifications for 3 years. The effects of any additional reclassification changes that occurred as a result of appeals and reviews of the MGCRB decisions for FY 2002 or from a hospital's request for the withdrawal of a reclassification request for FY 2002 are reflected in the final budget neutrality adjustment required under section 1886(d)(8)(D) of the Act and published in this final rule.

c. Outliers

Section 1886(d)(5)(A) of the Act provides for payments in addition to the basic prospective payments for ''outlier'' cases, cases involving extraordinarily high costs (cost outliers). Section 1886(d)(3)(B) of the Act requires the Secretary to adjust both the large urban and other area national standardized amounts by the same factor to account for the estimated proportion of total DRG payments made to outlier cases. Similarly, section 1886(d)(9)(B)(iv) of the Act requires the Secretary to adjust the large urban and other standardized amounts applicable to hospitals in Puerto Rico to account for the estimated proportion of total DRG payments made to outlier cases. Furthermore, under section 1886(d)(5)(A)(iv) of the Act, outlier payments for any year must be projected to be not less than 5 percent nor more than 6 percent of total payments based on DRG prospective payment rates.

i. FY 2002 outlier thresholds. For FY 2001, the fixed loss cost outlier threshold published in the August 1, 2000 final rule was equal to the prospective payment rate for the DRG plus the IME and DSH payments plus $17,550 ($16,036 for hospitals that have not yet entered the prospective payment system for capital-related costs). As a result of the change made by Public Law 106–554 to the update factor for the operating standardized amounts, this threshold was applicable for discharges on or after October 1, 2000 and before April 1, 2001. For discharges occurring on or after April 1, 2001 and before October 1, 2001, the threshold was equal to the prospective payment rate for the DRG plus the IME and DSH payments plus $16,350 ($14,940 for hospitals that have not yet entered the prospective payment system for capital-related costs). The revision to the threshold was discussed in the interim final rule with comment period published on June 13, 2001 (66 FR 32176). (In the June 13, 2001 interim final rule with comment period, the fixed loss amount was stated as $16,500. This was an error; the correct amount is $16,350. This is the amount that has been applied to discharges since April 1, 2001, in the PRICER software used to determine payments.) The marginal cost factor for cost outliers (the percent of costs paid after costs for the case exceed the threshold) was 80 percent.

For FY 2002, we proposed to establish a fixed loss cost outlier threshold equal to the prospective payment rate for the DRG plus the IME and DSH payments plus $21,000. The capital prospective payment system is fully phased in, effective FY 2002. Therefore, we no longer are establishing a separate threshold for hospitals that have not yet entered the prospective payment system for capital-related costs. We proposed to maintain the marginal cost factor for cost outliers at 80 percent.

In this final rule, we are establishing a fixed loss cost outlier threshold equal to the prospective rate for the DRG plus the IME and DSH payment plus $21,025. In addition, we are maintaining the marginal cost factor for cost outliers at 80 percent. To calculate the final FY 2002 outlier thresholds, we simulated payments by applying FY 2002 rates and policies to the March 2001 update of the FY 2000 MedPAR file and the March 2001 update of the Provider-Specific File.

We apply a cost inflation factor to update costs for the cases used to simulate payments. For FY 2000, we used a cost inflation factor of zero percent. For FY 2001, we used a cost inflation factor (or cost adjustment factor) of 1.8 percent. To set the proposed FY 2002 outlier thresholds, we used a 2-year cost inflation factor of 5.5 percent (to inflate FY 2000 charges to FY 2002). We are using a cost inflation factor of 2.8 percent per year to set the final FY 2002 outlier thresholds (this equates to a 2-year cost inflation factor of 5.7 percent). This factor reflects our analysis of the best available cost report data as well as calculations (using the best available data) indicating that the percentage of actual outlier payments for FY 2000 is higher than we projected before the beginning of FY 2000, and that the percentage of actual outlier payments for FY 2001 will likely be higher than we projected before the beginning of FY 2001. The calculations of ''actual'' outlier payments are discussed further below.

*Comment:* Several commenters noted that the proposed threshold was almost 20 percent higher than the threshold effective for FY 2001. The commenters believed that we should verify the amount of cost outliers paid in a year and reconcile accordingly. One commenter also suggested that we amend our method of calculating the threshold so that the threshold is set at a level that reflects FY 2001 threshold plus a reasonable updating factor to account for inflation.

*Response:* As indicated in the proposed rule, and as explained in numerous previous **Federal Register** documents, under the policy we have maintained since the inception of the hospital inpatient prospective payment system for operating costs, we do not make retroactive adjustments to reconcile differences between the percentage of outlier payments projected before a given fiscal year and the ''actual'' outlier payments for that fiscal year.

In accordance with section 1886(d)(5)(A) of the Act, we set outlier thresholds for an upcoming fiscal year so that outlier payments for the fiscal year are projected to equal a specified percentage between 5 and 6 percent of total payments based on DRG prospective payment rates. To set the thresholds, we simulate payments using the best available data. We believe that the methodology suggested by the commenter, simply updating the FY 2001 thresholds to account for inflation,

would not be appropriate because, among other reasons, the methodology would not reflect the use of the most recent complete data with respect to discharges and costs. The difference between the FY 2001 outlier thresholds and the FY 2002 outlier thresholds arises from differences reflected in the data used to set the respective thresholds.

ii. Other changes concerning outliers. In accordance with section 1886(d)(5)(A)(iv) of the Act, we calculated outlier thresholds so that outlier payments are projected to equal 5.1 percent of total payments based on DRG prospective payment rates. In accordance with section 1886(d)(3)(E), we reduced the FY 2002 standardized amounts by the same percentage to account for the projected proportion of payments paid to outliers.

As stated in the September 1, 1993 final rule (58 FR 46348), we establish outlier thresholds that are applicable to both inpatient operating costs and inpatient capital-related costs. When we modeled the combined operating and capital outlier payments, we found that using a common set of thresholds resulted in a higher percentage of outlier payments for capital-related costs than for operating costs. We project that the thresholds for FY 2002 will result in outlier payments equal to 5.1 percent of operating DRG payments and 5.8 percent of capital payments based on the Federal rate.

The proposed outlier adjustment factors applied to the standardized amounts for FY 2002 were as follows:

| | Operating standardized amounts | Capital federal rate |
|---|---|---|
| National ..... | 0.948910 | 0.974711 |
| Puerto Rico ..... | 0.942593 | 0.970336 |

Based on simulations of payments using updated data, the final outlier adjustment factors applied to the standardized amounts for FY 2002 are as follows:

| | Operating standardized amounts | Capital federal rate |
|---|---|---|
| National ..... | 0.948928 | 0.942440 |
| Puerto Rico ..... | 0.974762 | 0.970140 |

As in the proposed rule, we apply the outlier adjustment factors after removing the effects of the FY 2001 outlier adjustment factors on the standardized amounts.

Table 8A in section VI. of this Addendum contains the updated statewide average operating cost-to-charge ratios for urban hospitals and for rural hospitals to be used in calculating cost outlier payments for those hospitals for which the fiscal intermediary is unable to compute a reasonable hospital-specific cost-to-charge ratio. These statewide average ratios replace the ratios published in the August 1, 2000 final rule (65 FR 47054). Table 8B contains comparable statewide average capital cost-to-charge ratios. These average ratios will be used to calculate cost outlier payments for those hospitals for which the fiscal intermediary computes operating cost-to-charge ratios lower than 0.1903547 or greater than 1.3148656 and capital cost-to-charge ratios lower than 0.0119230 or greater than 0.1677417. This range represents 3.0 standard deviations (plus or minus) from the mean of the log distribution of cost-to-charge ratios for all hospitals. We note that the cost-to-charge ratios in Tables 8A and 8B will be used during FY 2002 when hospital-specific cost-to-charge ratios based on the latest settled cost report are either not available or outside the three standard deviations range.

iii. FY 2000 and FY 2001 outlier payments. In the August 1, 2000 final rule (65 FR 47054), we stated that, based on available data, we estimated that actual FY 2000 outlier payments would be approximately 6.2 percent of actual total DRG payments. This was computed by simulating payments using the March 2000 update of the FY 1999 bill data available at the time. That is, the estimate of actual outlier payments did not reflect actual FY 2000 bills but instead reflected the application of FY 2000 rates and policies to available FY 1999 bills. Our current estimate, using available FY 2000 bills, is that actual outlier payments for FY 2000 were approximately 7.6 percent of actual total DRG payments. We note that the MedPAR file for FY 2000 discharges continues to be updated. Thus, the data indicate that, for FY 2000, the percentage of actual outlier payments relative to actual total payments is higher than we projected before FY 2000 (and thus exceeds the percentage by which we reduced the standardized amounts for FY 2000). In fact, the data indicate that the proportion of actual outlier payments for FY 2000 exceeds 6.0 percent. Nevertheless, consistent with the policy and statutory interpretation we have maintained since the inception of the prospective payment system, we do not plan to recoup money and make retroactive adjustments to outlier payments for FY 2000.

We currently estimate that actual outlier payments for FY 2001 will be approximately 6.2 percent of actual total DRG payments, 1.1 percentage points higher than the 5.1 percent we projected in setting outlier policies for FY 2001. This estimate is based on simulations using the March 2001 update of the Provider-Specific File and the March 2001 update of the FY 2000 MedPAR file (discharge data for FY 2000 bills). We used these data to calculate an estimate of the actual outlier percentage for FY 2001 by applying FY 2001 rates and policies to available FY 2000 bills.

5. FY 2002 Standardized Amounts

The adjusted standardized amounts are divided into labor and nonlabor portions. Table 1A contains the two national standardized amounts that are applicable to all hospitals, except hospitals in Puerto Rico. Under section 1886(d)(9)(A)(ii) of the Act, the Federal portion of the Puerto Rico payment rate is based on the discharge-weighted average of the national large urban standardized amount and the national other standardized amount (as set forth in Table 1A). The labor and nonlabor portions of the national average standardized amounts for Puerto Rico hospitals are set forth in Table 1C. This table also includes the Puerto Rico standardized amounts.

*Comment:* Several commenters were unable to reconcile the standardized amounts published in the proposed rule for FY 2002 with the rates which were in effect for FY 2001. These commenters requested that we clarify, by category, the increases and decreases applied to the standardized amounts in the proposed rule in order to illustrate the method under which the rates were established.

*Response:* The confusion likely arises from the two different rates that were effective during FY 2001. Prior to the passage of Public Law 106–554, section 1886(b)(3)(B)(i) of the Act set the update to the standardized amounts for FY 2001 as the market basket percentage increase minus 1.1 percentage points. Section 301(a) of Public Law 106–554 revised section 1886(b)(3)(B)(i) of the Act to set the update to the standardized amounts for FY 2001 equal to the full market basket percentage increase.

Further, section 301(b) of Public Law 106–554 included a special provision to implement the full market basket update for purposes of making payments for FY 2001 only. Under this special provision, for discharges occurring on or after October 1, 2000 and before April 1, 2001, the update factor (other than for SCHs) is equal to the market basket percentage increase minus 1.1

percentage points. For discharges occurring on or after April 1, 2001 and before October 1, 2001, the update factor (other than SCHs) is equal to the market basket percentage increase plus 1.1 percentage points.

However, section 547 of Public Law 106–554 makes this special rule applicable solely to payments in FY 2001 and the payment increases under section 301(b) in this fiscal year are not to be taken into account in developing payments for future fiscal years. Consequently, when we established the rates for FY 2002, we based the calculation on FY 2001 standardized amounts reflecting the full FY 2001 market basket percentage increase of 3.4 percent. Since the standardized amounts calculated using the full market basket were not actually used for payment during FY 2001, they were not published in either the August 1, 2000 final rule or the June 13, 2001 interim final rule with comment period.

To arrive at the final FY 2002 standardized amounts, we updated the standardized amounts through FY 2001 using the full market basket of 3.4 percent (without applying a geographic budget neutrality factor or outlier factor), then multiplied this amount by: the update factor for FY 2002; the wage and recalibration budget neutrality factor; the geographic reclassification budget neutrality factor; and the outlier factor established for FY 2002. The calculation below details this reconciliation process using the large urban area standardized amount as an example. Although the commenters requested a reconciliation of the proposed rates, the example below reconciles the final FY 2002 rates, as those are the amounts actually in effect for the fiscal year. To reconcile the rates in the proposed rule, the exact same methodology applies.

EXAMPLE OF THE CALCULATION OF THE FY 2002 FINAL STANDARDIZED AMOUNT FOR LARGE URBAN AREAS

| | Labor | Nonlabor |
|---|---|---|
| FY 2001 Standardized Amount with Full Market Basket Update/No Reclassification, Budget Neutrality or Outlier Offset | $3,072.51 | $1,248.88 |
| Update Factor: (Market Basket Percentage Increase minus 0.55 percent) | 1.0275 | 1.0275 |
| FY 2002 Wage Index and DRG reclassification/recalculation budget neutrality factor | 0.995821 | 0.995821 |
| FY 2002 Reclassification budget neutrality factor | 0.990675 | 0.990675 |
| Outlier Factor | 0.948928 | 0.948928 |
| Final Rate for FY 2002 (after multiplying FY 2001 base rate by above factors) | $2,955.44 | $1,201.30 |

*B. Adjustments for Area Wage Levels and Cost of Living*

Tables 1A and 1C, as set forth in this Addendum, contain the labor-related and nonlabor-related shares that will be used to calculate the prospective payment rates for hospitals located in the 50 States, the District of Columbia, and Puerto Rico. This section addresses two types of adjustments to the standardized amounts that are made in determining the prospective payment rates as described in this Addendum.

1. Adjustment for Area Wage Levels

Sections 1886(d)(3)(E) and 1886(d)(9)(C)(iv) of the Act require that we make an adjustment to the labor-related portion of the prospective payment rates to account for area differences in hospital wage levels. This adjustment is made by multiplying the labor-related portion of the adjusted standardized amounts by the appropriate wage index for the area in which the hospital is located. In section III. of this preamble, we discuss the data and methodology for the FY 2002 wage index. The wage index is set forth in Tables 4A, 4B, 4C, and 4F of this Addendum.

2. Adjustment for Cost-of-Living in Alaska and Hawaii

Section 1886(d)(5)(H) of the Act authorizes an adjustment to take into account the unique circumstances of hospitals in Alaska and Hawaii. Higher labor-related costs for these two States are taken into account in the adjustment for area wages described above. For FY 2002, we are adjusting the payments for hospitals in Alaska and Hawaii by multiplying the nonlabor portion of the standardized amounts by the appropriate adjustment factor contained in the table below.

TABLE OF COST-OF-LIVING ADJUSTMENT FACTORS, ALASKA AND HAWAII HOSPITALS

| | |
|---|---|
| Alaska—All areas | 1.25 |
| Hawaii: | |
| County of Honolulu | 1.25 |
| County of Hawaii | 1.165 |
| County of Kauai | 1.2325 |
| County of Maui | 1.2375 |
| County of Kalawao | 1.2375 |

(The above factors are based on data obtained from the U.S. Office of Personnel Management.)

*C. DRG Relative Weights*

As discussed in section II. of the preamble, we have developed a classification system for all hospital discharges, assigning them into DRGs, and have developed relative weights for each DRG that reflect the resource utilization of cases in each DRG relative to Medicare cases in other DRGs. Table 5 of section VI. of this Addendum contains the relative weights that we will use for discharges occurring in FY 2002. These factors have been recalibrated as explained in section II. of the preamble.

*D. Calculation of Prospective Payment Rates for FY 2002*

General Formula for Calculation of Prospective Payment Rates for FY 2002

The prospective payment rate for all hospitals located outside of Puerto Rico, except SCHs and MDHs, equals the Federal rate.

The prospective payment rate for SCHs equals whichever of the following rates yields the greatest aggregate payment: the Federal rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if qualified, 50 percent of the updated hospital-specific rate based on FY 1996 cost per discharge, plus the greater of 50 percent of the updated FY 1982 or FY 1987 hospital-specific rate or 50 percent of the Federal rate. Section 213 of Public Law 106–554 amended section 1886(b)(3) of the Act to allow all SCHs to rebase their hospital-specific rate based on their FY 1996 cost per discharge.

The prospective payment rate for MDHs equals 100 percent of the Federal rate, or, if the greater of the updated FY 1982 hospital-specific rate or the updated FY 1987 hospital-specific rate is higher than the Federal rate, 100 percent of the Federal rate plus 50 percent of the difference between the applicable hospital-specific rate and the Federal rate.

The prospective payment rate for Puerto Rico equals 50 percent of the

Puerto Rico rate plus 50 percent of a discharge-weighted average of the Federal large urban standardized amount and the Federal other standardized amount.

1. Federal Rate

For discharges occurring on or after October 1, 2001 and before October 1, 2002, except for SCHs, MDHs, and hospitals in Puerto Rico, the hospital's payment is based exclusively on the Federal national rate. The payment amount is determined as follows:

Step 1—Select the appropriate national standardized amount considering the type of hospital and designation of the hospital as large urban or other (see Table 1A in section VI. of this Addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the applicable wage index for the geographic area in which the hospital is located (see Tables 4A, 4B, and 4C of section VI. of this Addendum).

Step 3—For hospitals in Alaska and Hawaii, multiply the nonlabor-related portion of the standardized amount by the appropriate cost-of-living adjustment factor.

Step 4—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount (adjusted, if appropriate, under Step 3).

Step 5—Multiply the final amount from Step 4 by the relative weight corresponding to the appropriate DRG (see Table 5 of section VI. of this Addendum).

2. Hospital-Specific Rate (Applicable Only to SCHs and MDHs)

Section 1886(b)(3)(C) of the Act provides that SCHs are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate, the updated hospital-specific rate based on FY 1982 cost per discharge, the updated hospital-specific rate based on FY 1987 cost per discharge, or, if qualified, 50 percent of the updated hospital-specific rate based on FY 1996 cost per discharge, plus the greater of 50 percent of the updated FY 1982 or FY 1987 hospital-specific rate or 50 percent of the Federal DRG payment rate.

Section 1886(d)(5)(G) of the Act provides that MDHs are paid based on whichever of the following rates yields the greatest aggregate payment: the Federal rate or the Federal rate plus 50 percent of the difference between the Federal rate and the greater of the updated hospital-specific rate based on FY 1982 and FY 1987 cost per discharge.

Hospital-specific rates have been determined for each of these hospitals based on either the FY 1982 cost per discharge, the FY 1987 cost per discharge or, for qualifying SCHs, the FY 1996 cost per discharge. For a more detailed discussion of the calculation of the hospital-specific rates, we refer the reader to the September 1, 1983 interim final rule (48 FR 39772); the April 20, 1990 final rule with comment (55 FR 15150); the September 4, 1990 final rule (55 FR 35994); and the August 1, 2000 final rule (65 FR 47082).

a. Updating the FY 1982, FY 1987, and FY 1996 Hospital-Specific Rates for FY 2002

We are increasing the hospital-specific rates by 2.75 percent (the hospital market basket percentage increase minus 0.55 percentage points) for SCHs and MDHs for FY 2002. Section 1886(b)(3)(C)(iv) of the Act provides that the update factor applicable to the hospital-specific rates for SCHs equal the update factor provided under section 1886(b)(3)(B)(iv) of the Act, which, for SCHs in FY 2002, is the market basket rate of increase minus 0.55 percentage points. Section 1886(b)(3)(D) of the Act provides that the update factor applicable to the hospital-specific rates for MDHs equals the update factor provided under section 1886(b)(3)(B)(iv) of the Act, which, for FY 2002, is the market basket rate of increase minus 0.55 percentage points.

b. Calculation of Hospital-Specific Rate

For SCHs, the applicable FY 2002 hospital-specific rate is based on the following: the hospital-specific rate calculated using the greater of the FY 1982 or FY 1987 costs, increased by the applicable update factor; or, if the hospital-specific rate based on cost per case in FY 1996 is greater than the hospital-specific rate using either the FY 1982 or the FY 1987 costs, the greater of 50 percent of the hospital-specific rate based on the FY 1982 or FY 1987 costs, increased by the applicable update factor, or 50 percent of the Federal rate plus 50 percent of its rebased FY 1996 hospital-specific rate updated through FY 2002. For MDHs, the applicable FY 2002 hospital-specific rate is calculated by increasing the hospital's hospital-specific rate for the preceding fiscal year by the applicable update factor, which is the same as the update for all prospective payment hospitals. In addition, for both SCHs and MDHs, the hospital-specific rate is adjusted by the budget neutrality adjustment factor (that is, by 0.995821) as discussed in section II.A.4.a. of this Addendum. The resulting rate is used in determining the payment rate an SCH or MDH is paid for its discharges beginning on or after October 1, 2001.

3. General Formula for Calculation of Prospective Payment Rates for Hospitals Located in Puerto Rico Beginning On or After October 1, 2001 and Before October 1, 2002

a. Puerto Rico Rate

The Puerto Rico prospective payment rate is determined as follows:

Step 1—Select the appropriate adjusted average standardized amount considering the large urban or other designation of the hospital (see Table 1C of section VI. of the Addendum).

Step 2—Multiply the labor-related portion of the standardized amount by the appropriate Puerto Rico-specific wage index (see Table 4F of section VI. of the Addendum).

Step 3—Add the amount from Step 2 and the nonlabor-related portion of the standardized amount.

Step 4—Multiply the result in Step 3 by 50 percent.

Step 5—Multiply the amount from Step 4 by the appropriate DRG relative weight (see Table 5 of section VI. of the Addendum).

b. National Rate

The national prospective payment rate is determined as follows:

Step 1—Multiply the labor-related portion of the national average standardized amount (see Table 1C of section VI. of the Addendum) by the appropriate national wage index (see Tables 4A and 4B of section VI. of the Addendum).

Step 2—Add the amount from Step 1 and the nonlabor-related portion of the national average standardized amount.

Step 3—Multiply the result in Step 2 by 50 percent.

Step 4—Multiply the amount from Step 3 by the appropriate DRG relative weight (see Table 5 of section VI. of the Addendum).

The sum of the Puerto Rico rate and the national rate computed above equals the prospective payment for a given discharge for a hospital located in Puerto Rico.

## III. Changes to the Prospective Payment Rates for Inpatient Operating Costs for FY 2001 (Section 301 of Public Law 106–554 and 42 CFR 412.63(s))

In the June 13, 2001 interim final rule with comment period, we implemented section 301(a) of Public Law 106–554 as it applied to FY 2001. Section 301(a) amended section 1886(b)(3)(B)(i) of the Act by changing the percentage increase for the hospital inpatient payment rates

for FYs 2001, 2002, and 2003. Previously, section 1886(b)(3)(B)(i) (as amended by section 406 of Public Law 106–113) established the update factor to the payment rates for inpatient prospective payment system hospitals (other than SCHs, who received the full market basket update effective October 1, 2000) as the market basket percentage increase minus 1.1 percent for FYs 2001 and 2002; the update factor for FY 2003 and subsequent fiscal years was established as the full market basket percentage increase. Section 301(a) of Public Law 106–554 amended section 1886(b)(3)(B)(i) of the Act and changed the update factor for FY 2001 to the full market basket percentage increase. (Section 301(a) also revised the update factors that apply to FYs 2002 and 2003, as discussed in section II. of this Addendum.) Prior to enactment of Public Law 106–554, the update factor for FY 2002 was the market basket percentage increase minus 1.1 percentage points and the update factor for FY 2003 was the full market basket percentage increase. Section 301(a) of Public Law 106–554 amended section 1886(b)(3)(B)(i) of the Act to revise the update factor for FYs 2002 and 2003 to be the market basket percentage increase minus 0.55 percentage points.

Further, section 301(b) of Public Law 106–554 provided a special rule to implement the full market basket update to inpatient hospital prospective payment rates for FY 2001. Under this special rule, for discharges occurring on or after October 1, 2000 and before April 1, 2001, the update factor for inpatient prospective payment system hospitals (other than SCHs) is equal to the market basket percentage increase minus 1.1 percentage points. For discharges occurring on or after April 1, 2001 and before October 1, 2001, the update factor for the payment rates for inpatient prospective payment system hospitals (other than SCHs) is equal to the market basket percentage increase plus 1.1 percentage points. Section 547 of Public Law 106–554 makes this special rule applicable solely to payments in FY 2001 and the payment increases resulting for FY 2001 are not taken into account in developing payments for future fiscal years.

As directed by the special rule in section 301(b) of Public Law 106–554, any discharges occurring on or after October 1, 2000, and before April 1, 2001, are paid in accordance with the standardized amounts set forth in the FY 2001 hospital inpatient prospective payment system final rule published in the August 1, 2000 **Federal Register** (65 FR 47126). These rates were calculated using the market basket percentage increase of 3.4 percent minus 1.1 percentage points, for a 2.3 percent increase (see 65 FR 47112), as directed by section 1886(b)(3)(B)(i) of the Act prior to the passage of Public Law 106–554.

To implement the special rule under section 301(b) of Public Law 106–554, in the June 13 interim final rule with comment period, we recomputed the standardized amounts effective for discharges occurring on or after April 1, 2001. That is, we replaced the update factor of 2.3 percent applied to the standardized amounts in the August 1, 2000 final rule, with the update factor of 4.5 percent (the market basket percentage increase plus 1.1 percentage points, or 3.4 plus 1.1 percentage points).

| | Large urban areas | | Other areas | |
|---|---|---|---|---|
| | Labor-related | Nonlabor-related | Labor-related | Nonlabor-related |
| National | $2,925.82 | $1,189.26 | $2,879.51 | $1,170.43 |
| National PR | 2,900.64 | 1,179.02 | 2,900.64 | 1,179.02 |
| Puerto Rico | 1,402.79 | 564.66 | 1,380.58 | 555.72 |
| SCHs | 2,895.02 | 1,176.74 | 2,849.20 | 1,158.11 |

*A. Budget Neutrality*

Section 1886(d)(4)(C)(iii) of the Act specifies that, beginning in FY 1991, the annual DRG reclassification and recalibration of the relative weights must be made in a manner that ensures that aggregate payments to hospitals are projected to be the same as those that would have been made without such adjustments. Section 1886(d)(3)(E) of the Act requires us to update the hospital wage index on an annual basis beginning October 1, 1993. This provision also requires us to make any updates or adjustments to the wage index in a manner that ensures that aggregate payments to hospitals are projected to be the same as those that would have been made without the change in the wage index.

Finally, under section 1886(d)(8)(D) of the Act, the Secretary is required to adjust the standardized amounts so as to ensure that final aggregate payments under the prospective payment system are projected to equal the aggregate prospective payments that would have been made absent the geographic reclassification provisions of sections 1886(d)(8)(B) and (C) and 1886(d)(10) of the Act.

The distributive effects on hospital payments of the IME and DSH changes also included in Public Law 106–554 required us to recalculate the budget neutrality factors that are required by section 1886(d)(8)(D) of the Act.

As we stated in the June 13, 2001 interim final rule with comment period, the budget neutrality factors that were used to establish the standardized amounts effective for discharges occurring on or after October 1, 2000 were: 0.997225 for the DRG reclassification and recalibration and updated wage index (65 FR 47112); and 0.993187 for geographic reclassification (65 FR 47113). Using the same methodology that was used to calculate the budget neutrality factors in the August 1, 2000 final rule, the corresponding budget neutrality factors for the standardized amounts effective for discharges occurring on or after April 1, 2001 and before October 1, 2001 are 0.997122 and 0.993279. The FY 2001 budget neutrality factor for Puerto Rico did not change. Therefore, the budget neutrality factor for Puerto Rico as published in the August 1, 2000 **Federal Register** (65 FR 47112) remained in effect for discharges occurring on or after April 1, 2001 and before October 1, 2001.

*B. Outliers*

In accordance with section 1886(d)(3)(B) of the Act, which directs the Secretary to adjust the national standardized amounts to account for the estimated proportion of total payments made to outlier cases, the fixed-loss outlier threshold was also revised as a result of the change made by Public Law 106–554 to the update factor for the operating standardized amounts. For discharges occurring on or after April 1, 2001 and before October 1, 2001, we established a fixed-loss cost outlier threshold equal to the prospective payment rate for the DRG, plus IME and

DSH payments, plus $16,350 ($14,940 for hospitals that have not yet entered the prospective payment system for capital-related costs). (In the June 13, 2001 interim final rule with comment period, the fixed loss amount was stated as $16,500. This was an error. The correct amount is $16,350. This is the amount that has been applied to discharges since April 1, 2001, in the PRICER software used to determine payments.) In determining the outlier threshold, we used the same methodology employed to determine the outlier threshold for FY 2001 (65 FR 47113 through 47114). Outlier payments for discharges occurring on or after October 1, 2000 and before April 1, 2001, will be determined in accordance with the standardized amounts and outlier thresholds set forth in the FY 2001 final rule published in the August 1, 2000 **Federal Register** (65 FR 47113).

Although the market basket percentage used to update SCHs was not revised by Public Law 106–554, the standardized amounts applied to these hospitals for discharges occurring on or after April 1, 2001 and before October 1, 2001 also increase slightly. This increase in SCH rates is due to the budget neutrality factors effective for this portion of the fiscal year.

For discharges occurring on or after April 1, 2001 and before October 1, 2001, the outlier adjustment factors are as follows:

| | Operating standardized amounts | Capital federal rate |
|---|---|---|
| National ..... | 0.948929 | 0.937854 |
| Puerto Rico ..... | 0.973671 | 0.967355 |

## III. Changes to Payment Rates for Inpatient Capital-Related Costs for FY 2002

The prospective payment system for hospital inpatient capital-related costs was implemented for cost reporting periods beginning on or after October 1, 1991. Effective with that cost reporting period and during a 10-year transition period extending through FY 2001, hospital inpatient capital-related costs are paid on the basis of an increasing proportion of the capital prospective payment system Federal rate and a decreasing proportion of a hospital's historical costs for capital.

The basic methodology for determining Federal capital prospective rates is set forth at §§ 412.308 through 412.352. Below we discuss the factors that we used to determine the capital Federal rate rate and the hospital-specific rates for FY 2002. The rates, which will be effective for discharges occurring on or after October 1, 2001. As we stated in section V. of the preamble of this final rule, we are no longer determining an update to the capital hospital-specific rate, since FY 2001 is the last year of the 10-year transition period, and beginning in FY 2002 all hospitals (except ''new'' hospitals under § 412.324(b)) will be paid based on 100 percent of the capital Federal rate.

For FY 1992, we computed the standard Federal payment rate for capital-related costs under the prospective payment system by updating the FY 1989 Medicare inpatient capital cost per case by an actuarial estimate of the increase in Medicare inpatient capital costs per case. Each year after FY 1992, we update the standard Federal rate, as provided in § 412.308(c)(1), to account for capital input price increases and other factors. Also, § 412.308(c)(2) provides that the Federal rate is adjusted annually by a factor equal to the estimated proportion of outlier payments under the Federal rate to total capital payments under the Federal rate. In addition, § 412.308(c)(3) requires that the Federal rate be reduced by an adjustment factor equal to the estimated proportion of payments for (regular and special) exceptions under § 412.348. Furthermore, § 412.308(c)(4)(ii) requires that the Federal rate be adjusted so that the annual DRG reclassification and the recalibration of DRG weights and changes in the geographic adjustment factor are budget neutral. For FYs 1992 through 1995, § 412.352 required that the Federal rate also be adjusted by a budget neutrality factor so that aggregate payments for inpatient hospital capital costs were projected to equal 90 percent of the payments that would have been made for capital-related costs on a reasonable cost basis during the fiscal year. That provision expired in FY 1996. Section 412.308(b)(2) describes the 7.4 percent reduction to the rate that was made in FY 1994, and § 412.308(b)(3) describes the 0.28 percent reduction to the rate made in FY 1996 as a result of the revised policy of paying for transfers. In the FY 1998 final rule with comment period (62 FR 45966), we implemented section 4402 of Public Law 105–33, which requires that for discharges occurring on or after October 1, 1997, and before October 1, 2002, the unadjusted standard Federal rate is reduced by 17.78 percent. A small part of that reduction will be restored effective October 1, 2002.

To determine the appropriate budget neutrality adjustment factor and the regular exceptions payment adjustment, we developed a dynamic model of Medicare inpatient capital-related costs, that is, a model that projects changes in Medicare inpatient capital-related costs over time. With the expiration of the budget neutrality provision, the model is still used to estimate the regular exceptions payment adjustment and other factors. The model and its application are described in greater detail in Appendix B of this final rule.

In accordance with section 1886(d)(9)(A) of the Act, under the prospective payment system for inpatient operating costs, hospitals located in Puerto Rico are paid for operating costs under a special payment formula. Prior to FY 1998, hospitals in Puerto Rico were paid a blended rate that consisted of 75 percent of the applicable standardized amount specific to Puerto Rico hospitals and 25 percent of the applicable national average standardized amount. However, effective October 1, 1997, as a result of section 4406 of Public Law 105–33, operating payments to hospitals in Puerto Rico are based on a blend of 50 percent of the applicable standardized amount specific to Puerto Rico hospitals and 50 percent of the applicable national average standardized amount. In conjunction with this change to the operating blend percentage, effective with discharges on or after October 1, 1997, we compute capital payments to hospitals in Puerto Rico based on a blend of 50 percent of the Puerto Rico rate and 50 percent of the Federal rate.

Section 412.374 provides for the use of this blended payment system for payments to Puerto Rico hospitals under the prospective payment system for inpatient capital-related costs. Accordingly, for capital-related costs, we compute a separate payment rate specific to Puerto Rico hospitals using the same methodology used to compute the national Federal rate for capital.

### *A. Determination of Federal Inpatient Capital-Related Prospective Payment Rate Update*

In the August 1, 2000 final rule (65 FR 47122), we established a Federal rate of $382.03 for FY 2001. In the June 13, 2001 interim final rule with comment, as a result of implementing section 301(b) of Public Law 106–554, we established a Federal rate of $380.85 for discharges occurring on or after April 1, 2001 and before October 1, 2001 (66 FR 32180). (See section V.E. of the preamble and section III.A.5 of this Addendum for a fuller discussion of the provisions of section 301(b) of Public Law 106–554.) In accordance with section 547 of Public Law 106–554, the special payment increases provided by Public Law 106–554 effective between

April and October 2001 do not apply for discharges occurring after FY 2001 and are not taken into account in determining the payment rates in subsequent years. Thus, the adjustments and rates published in the August 1, 2000 final rule were used in determining the FY 2002 capital rates. As a result of the changes to the factors used to establish the Federal rate in this addendum, the FY 2002 Federal rate is $390.74.

In the discussion that follows, we explain the factors that were used to determine the FY 2002 Federal rate. In particular, we explain why the FY 2002 Federal rate has increased 2.28 percent compared to the FY 2001 Federal rate (published in the August 1, 2000 final rule (65 FR 47122)). We also estimate aggregate capital payments will increase by 4.27 percent during this same period. This increase is primarily due to the increase in the number of hospital admissions and the increase in case-mix. This increase in capital payments is slightly less than last year (5.48 percent) because with the end of the transition period the remaining hold harmless hospitals receiving ''cost-based'' payments will begin being paid based on 100 percent of the Federal rate.

Total payments to hospitals under the prospective payment system are relatively unaffected by changes in the capital prospective payments. Since capital payments constitute about 10 percent of hospital payments, a 1 percent change in the capital Federal rate yields only about 0.1 percent change in actual payments to hospitals. Aggregate payments under the capital prospective payment system are estimated to increase in FY 2002 compared to FY 2001.

1. Standard Federal Rate Update

Under § 412.308(c)(1), the standard Federal rate is updated on the basis of an analytical framework that takes into account changes in a capital input price index and other factors. The update framework consists of a capital input price index (CIPI) and several policy adjustment factors. Specifically, we have adjusted the projected CIPI rate of increase as appropriate each year for case-mix index-related changes, for intensity, and for errors in previous CIPI forecasts. The proposed rule reflected an update factor for FY 2002 under that framework of 1.1 percent, based on data available at that time. Under the update framework, the final update factor for FY 2002 is 1.3 percent. This update factor is based on a projected 0.7 percent increase in the CIPI, a 0.3 percent adjustment for intensity, a 0.0 percent adjustment for case-mix, a 0.0 percent adjustment for the FY 2000 DRG reclassification and recalibration, and a forecast error correction of 0.3 percent. We explain the basis for the FY 2002 CIPI projection in section II.C. of this Addendum. Below we describe the policy adjustments that have been applied.

The case-mix index is the measure of the average DRG weight for cases paid under the prospective payment system. Because the DRG weight determines the prospective payment for each case, any percentage increase in the case-mix index corresponds to an equal percentage increase in hospital payments.

The case-mix index can change for any of several reasons:

- The average resource use of Medicare patients changes (''real'' case-mix change);
- Changes in hospital coding of patient records result in higher weight DRG assignments (''coding effects''); and
- The annual DRG reclassification and recalibration changes may not be budget neutral (''reclassification effect'').

We define real case-mix change as actual changes in the mix (and resource requirements) of Medicare patients as opposed to changes in coding behavior that result in assignment of cases to higher weighted DRGs but do not reflect higher resource requirements. In the update framework for the prospective payment system for operating costs, we adjust the update upwards to allow for real case-mix change, but remove the effects of coding changes on the case-mix index. We also remove the effect on total payments of prior changes to the DRG classifications and relative weights, in order to retain budget neutrality for all case-mix index-related changes other than patient severity. (For example, we adjusted for the effects of the FY 2000 DRG reclassification and recalibration as part of our FY 2002 update recommendation.) We have adopted this case-mix index adjustment in the capital update framework as well.

For FY 2002, we are projecting a 1.0 percent increase in the case-mix index. We estimate that real case-mix increase will equal 1.0 percent in FY 2002. Therefore, the net adjustment for case-mix change in FY 2002 is 0.0 percentage points.

We estimate that FY 2000 DRG reclassification and recalibration will result in a 0.0 percent change in the case-mix when compared with the case-mix index that would have resulted if we had not made the reclassification and recalibration changes to the DRGs. Therefore, we are making a 0.0 percent adjustment for DRG reclassification and recalibration in the update recommendation for FY 2002.

The capital update framework contains an adjustment for forecast error. The input price index forecast is based on historical trends and relationships ascertainable at the time the update factor is established for the upcoming year. In any given year, there may be unanticipated price fluctuations that may result in differences between the actual increase in prices and the forecast used in calculating the update factors. In setting a prospective payment rate under the framework, we make an adjustment for forecast error only if our estimate of the change in the capital input price index for any year is off by 0.25 percentage points or more. There is a 2-year lag between the forecast and the measurement of the forecast error. A forecast error of 0.3 percentage points was calculated for the FY 2000 update. That is, current historical data indicate that the forecasted FY 2000 CIPI used in calculating the FY 2000 update factor (0.6 percent) understatethe actual realized price increases (0.9 percent) by 0.3 percentage points. This under-prediction was due to prices from municipal bond yields declining slower than expected. Therefore, we are making a 0.0 3 percent adjustment for forecast error in the update for FY 2002.

Under the capital prospective payment system framework, we also make an adjustment for changes in intensity. We calculate this adjustment using the same methodology and data as in the framework for the operating prospective payment system. The intensity factor for the operating update framework reflects how hospital services are utilized to produce the final product, that is, the discharge. This component accounts for changes in the use of quality-enhancing services, changes in within-DRG severity, and expected modification of practice patterns to remove cost-ineffective services.

We calculate case-mix constant intensity as the change in total charges per admission, adjusted for price level changes (the CPI for hospital and related services), and changes in real case-mix. The use of total charges in the calculation of the proposed intensity factor makes it a total intensity factor, that is, charges for capital services are already built into the calculation of the factor. Therefore, we have incorporated the intensity adjustment from the operating update framework into the capital update framework. Without reliable estimates of the proportions of the overall annual intensity increases that are due, respectively, to ineffective practice patterns and to the combination

of quality-enhancing new technologies and within-DRG complexity, we assume, as in the revised operating update framework, that one-half of the annual increase is due to each of these factors. The capital update framework thus provides an add-on to the input price index rate of increase of one-half of the estimated annual increase in intensity to allow for within-DRG severity increases and the adoption of quality-enhancing technology.

For FY 2002, we have developed a Medicare-specific intensity measure based on a 5-year average, using FY 1996 through 2000 data. In determining case-mix constant intensity, we found that observed case-mix increase was 1.6 percent in FY 1996, 0.3 percent in FY 1997, −0.4 percent in FY 1998, and −0.3 in FY 1999, and −0.7 percent in FY 2000. Since we found an increase in case-mix of 1.6 for FY 1996, which was outside of the range of 1.0 to 1.4 percent, we estimate that real case-mix increase was 1.0 to 1.4 percent for that year. The estimate of 1.0 to 1.4 percent is supported by past studies of case-mix change by the RAND Corporation. The most recent study was ''Has DRG Creep Crept Up? Decomposing the Case Mix Index Change Between 1987 and 1988'' by G. M. Carter, J. P. Newhouse, and D. A. Relles, R–4098–HCFA/ProPAC (1991). The study suggested that real case-mix change was not dependent on total change, but was usually a fairly steady 1.0 to 1.4 percent per year. We use 1.4 percent as the upper bound because the RAND study did not take into account that hospitals may have induced doctors to document medical records more completely in order to improve payment. Following that study, we consider up to 1.4 percent of observed case-mix change as real for FY 1996 through FY 2000. Based on this analysis, we believe that all of the observed case-mix increase for FY 1997, FY 1998, and FY 1999, and FY 2000 is real. The increases for FY 1996 was in excess of our estimate of real case-mix increase.

We calculate case-mix constant intensity as the change in total charges per admission, adjusted for price level changes (the CPI for hospital and related services), and changes in real case-mix. Based upon an upper limit of 1.0 percent real case-mix increase, we estimate that case-mix constant intensity increased by an average 0.3 percent during FYs 1996 through 2000, for a cumulative increase of 1.4 percent, given estimates of real case-mix of −1.0 percent for FY 1996, 0.3 percent for FY 1997, −0.4 for FY 1998, and −0.3 for FY 1999, and −0.7 percent for FY 2000. Based upon an upper limit of 1.4 percent real case-mix increase, we estimate that case-mix constant intensity declined increase by an average 0.2 percent during FYs 1996 through 2000, for a cumulative increase of 1.2 percent, given that real case-mix increase was 1.4 percent for FY 1996, 0.3 percent for FY 1997, −0.4 for FY 1998, −0.3 for FY 1999, and −0.7 percent for FY 2000. Since we estimate that intensity has increased during that period, we are recommending a 0.3 percent intensity adjustment for FY 2002.

2. Outlier Payment Adjustment Factor

Section 412.312(c) establishes a unified outlier methodology for inpatient operating and inpatient capital-related costs. A single set of thresholds is used to identify outlier cases for both inpatient operating and inpatient capital-related payments. Section 412.308(c)(2) provides that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated proportion of capital-related outlier payments to total inpatient capital-related prospective payment system payments. The outlier thresholds are set so that operating outlier payments are projected to be 5.1 percent of total operating DRG payments.

In the August 1, 2000 final rule, we estimated that outlier payments for capital in FY 2001 would equal 5.91 percent of inpatient capital-related payments based on the Federal rate (65 FR 47121). Accordingly, we applied an outlier adjustment factor of 0.9409 to the Federal rate. Based on the thresholds as set forth in section II.A.4.c. of this Addendum, we estimate that outlier payments for capital will equal 5.76 percent of inpatient capital-related payments based on the Federal rate in FY 2002. Therefore, we are establishing an outlier adjustment factor of 0.9424 to the Federal rate. Thus, the projected percentage of capital outlier payments to total capital standard payments for FY 2002 is lower than the percentage for FY 2001.

The outlier reduction factors are not built permanently into the rates; that is, they are not applied cumulatively in determining the Federal rate. As explained previously, in accordance with section 547 of Public Law 106–554, the FY 2002 rates are based on the FY 2001 adjustments and rates published in the August 1, 2000 final rule (65 FR 47122). Therefore, the net change in the outlier adjustment to the Federal rate for FY 2002 is 1.0016 (0.9424/0.9409). The outlier adjustment increases the FY 2002 Federal rate by 0.16 percent compared with the FY 2001 outlier adjustment.

3. Budget Neutrality Adjustment Factor for Changes in DRG Classifications and Weights and the Geographic Adjustment Factor

Section 412.308(c)(4)(ii) requires that the Federal rate be adjusted so that aggregate payments for the fiscal year based on the Federal rate after any changes resulting from the annual DRG reclassification and recalibration and changes in the geographic adjustment factor (GAF) are projected to equal aggregate payments that would have been made on the basis of the Federal rate without such changes. We use the actuarial model, described in Appendix B of this final rule, to estimate the aggregate payments that would have been made on the basis of the Federal rate without changes in the DRG classifications and weights and in the GAF. We also use the model to estimate aggregate payments that would be made on the basis of the Federal rate as a result of those changes. We then use these figures to compute the adjustment required to maintain budget neutrality for changes in DRG weights and in the GAF.

For FY 2001, we calculated a GAF/DRG budget neutrality factor of 0.9979. In the proposed rule for FY 2002, we proposed a GAF/DRG budget neutrality factor of 0.9913. In this final rule, based on calculations using updated data, we are applying a factor of 0.9934. The GAF/DRG budget neutrality factors are built permanently into the rates; that is, they are applied cumulatively in determining the Federal rate. This follows from the requirement that estimated aggregate payments each year be no more or less than they would have been in the absence of the annual DRG reclassification and recalibration and changes in the GAF. As explained previously, in accordance with section 547 of Public Law 106–554, the FY 2002 adjustments and rates are based on the FY 2001 adjustment and rates published in the August 1, 2000 final rule (65 FR 47122). The incremental change in the adjustment from FY 2001 to FY 2002 is 0.9934. The cumulative change in the rate due to this adjustment is 0.9927 (the product of the incremental factors for FY 1993, FY 1994, FY 1995, FY 1996, FY 1997, FY 1998, FY 1999, FY 2000, FY 2001 and the incremental factor for FY 2002:0.9980 ×1.0053 ×0.9998 ×0.9994 ×0.9987 ×0.9989 ×1.0028 ×0.9985 ×0.9979 ×0.9934 =0.9927).

This factor accounts for DRG reclassifications and recalibration and for changes in the GAF. It also

incorporates the effects on the GAF of FY 2002 geographic reclassification decisions made by the MGCRB compared to FY 2001 decisions. However, it does not account for changes in payments due to changes in the DSH and IME adjustment factors or in the large urban add-on.

4. Exceptions Payment Adjustment Factor

Section 412.308(c)(3) requires that the standard Federal rate for inpatient capital-related costs be reduced by an adjustment factor equal to the estimated proportion of additional payments for exceptions under § 412.348 relative to total capital payments payments under the hospital-specific rate and Federal rate. We use the model originally developed for determining the budget neutrality adjustment factor to determine the regular exceptions payment adjustment factor. We describe that model in Appendix B to this final rule. An adjustment for regular exceptions is necessary for determining the FY 2002 rates because we will continue to pay regular exceptions for cost reporting periods beginning before October 1, 2001 but ending in FY 2002, in accordance with § 412.312(c)(3). In FY 2003 and later, no payments will be made under the regular exceptions provision, and then we will only compute a budget neutrality adjustment under § 412.348(d) for special exceptions. We describe the methodology to determine the special exceptions adjustment in section V.D. of this final rule. For FY 2002, the exceptions adjustment is a combination of the adjustment that would be made under the regular exceptions provision and under the special exceptions provision under § 412.348(g).

For FY 2001, we estimated that exceptions payments would equal 2.15 percent of aggregate payments based on the Federal rate. Therefore, we applied an exceptions reduction factor of 0.9785 (1—;0.0215) in determining the Federal rate. In the May 4, 2001 proposed rule, we estimated that regular exceptions payments for FY 2002 would equal 0.63 percent of aggregate payments based on the Federal rate, we estimated that special exceptions payments for FY 2002 would equal 0.12 percent of aggregate payments based on the Federal rate. Therefore, we estimated that total exceptions payments for FY 2002 would equal 0.75 percent (0.63 + 0.12 = 0.75) of aggregate payments based on the Federal rate, and we proposed an exceptions payment reduction factor of 0.9925 (1—;0.0075) to the Federal rate for FY 2002. The proposed exceptions reduction factor for FY 2002 was 1.43 percent higher than the factor for FY 2001 published in the August 1, 2000 final rule.

For this final rule, based on updated data, we estimate that regular exceptions payments for FY 2002 will equal 0.59 percent of aggregate payments based on the Federal rate, and we estimate that special exceptions payments for FY 2002 will equal 0.12 percent of aggregate payments based on the Federal rate. We estimate that total exceptions payments for FY 2002 will be 0.71 percent (0.59 + 0.12 = 0.71). Thus, the FY 2002 exceptions payment reduction factor is 0.9929 (1—0.0071). The exceptions reduction factor for FY 2002 is 1.47 percent higher than the factor for FY 2001 published in the August 1, 2000 final rule. This increase is primarily due to the expiration of the regular exceptions provision and the narrowly defined nature of the special exceptions policy.

The exceptions reduction factors are not built permanently into the rates; that is, the factors are not applied cumulatively in determining the Federal rate. As explained previously, in accordance with section 547 of Public Law 106–554, the FY 2002 adjustments and rates are based on the FY 2001 adjustments and rates published in the August 1, 2000 final rule (65 FR 47122). Therefore, the net adjustment to the FY 2002 Federal rate is 0.9929/0.9785, or 1.0147.

5. Standard Capital Federal Rate for FY 2002

For FY 2001, the capital Federal rate was $382.03 for discharges occurring between October 1, 2000 and April 1, 2001. As a result of implementing section 301(b) of Public Law 106–554, for discharges occurring from April to October 2001, the capital Federal rate was $380.85. However, as explained previously, in accordance with section 547 of Public Law 106–554, the FY 2002 adjustments and rates are based on the FY 2001 adjustments and rates published in the August 1, 2000 final rule (65 FR 47122). As a result of changes we are making to the factors used to establish the Federal rate, in this final rule we are establishing the capital Federal rate for FY 2002 of $390.74. The Federal rate for FY 2002 was calculated as follows:

- The FY 2002 update factor is 1.0130; that is, the update is 1.30 percent.
- The FY 2002 budget neutrality adjustment factor that is applied to the standard Federal payment rate for changes in the DRG relative weights and in the GAF is 0.9934.
- The FY 2002 outlier adjustment factor is 0.94214.
- The FY 2002 (regular and special) exceptions payments adjustment factor is 0.9929.

Since the Federal rate has already been adjusted for differences in case-mix, wages, cost-of-living, indirect medical education costs, and payments to hospitals serving a disproportionate share of low-income patients, we have made no additional adjustments in the standard Federal rate for these factors, other than the budget neutrality factor for changes in the DRG relative weights and the GAF.

We are providing a chart that shows how each of the factors and adjustments for FY 2002 affected the computation of the FY 2002 Federal rate in comparison to the FY 2001 Federal rate. The FY 2002 update factor has the effect of increasing the Federal rate by 1.30 percent compared to the FY 2001 rate published in the August 1, 2000 final rule, while the geographic and DRG budget neutrality factor has the effect of decreasing the Federal rate by 0.66 percent. The FY 2002 outlier adjustment factor has the effect of increasing the Federal rate by 0.16 percent compared to the FY 2001 rate published in the August 1, 2000 final rule. The FY 2002 (regular and special) exceptions reduction factor has the effect of increasing the Federal rate by 1.47 percent compared to the exceptions reduction for FY 2001. The combined effect of all the proposed changes is to increase the Federal rate by 2.28 percent compared to the Federal rate for FY 2001.

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2001 FEDERAL RATE AND FY 2002 FEDERAL RATE

| | FY 2001 | FY 2002 | Change | Percent change |
|---|---|---|---|---|
| Update factor[1] | 1.0090 | 1.0130 | 1.0130 | 1.30 |
| GAF/DRG Adjustment Factor[1] | 0.9979 | 0.9934 | 0.9934 | −0.66 |
| Outlier Adjustment Factor[2] | 0.9409 | 0.9424 | 1.0016 | 0.16 |

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2001 FEDERAL RATE AND FY 2002 FEDERAL RATE—Continued

| | FY 2001 | FY 2002 | Change | Percent change |
|---|---|---|---|---|
| Exceptions Adjustment Factor[2] | 0.9785 | 0.9929 | 1.0147 | 1.47 |
| Federal Rate | $382.03 | $390.74 | 1.0228 | 2.28 |

[1] The update factor and the GAF/DRG budget neutrality factors are built permanently into the rates. Thus, for example, the incremental change from FY 2000 to FY 2001 resulting from the application of the 0.9934 GAF/DRG budget neutrality factor for FY 2001 is 0.9934.

[2] The outlier reduction factor and the exceptions reduction factor are not built permanently into the rates; that is, these factors are not applied cumulatively in determining the rates. Thus, for example, the net change resulting from the application of the FY 2001 outlier reduction factor is 0.9424/0.9409, or 1.0016.

As stated previously in this section, the FY 2002 Federal rate has increased 2.28 percent compared to the FY 2001 capital Federal rate as a result of the FY 2002 factors and adjustments applied to the capital Federal rate. Specifically, the capital update factor increased the capital Federal rate 1.30 percent over FY 2001. The exceptions reduction factor increased 1.47 percent from 0.9875 to 0.9929 for FY 2002, which results in an increase to the capital Federal rate for FY 2002. Also, the outlier adjustment factor increased 0.16 percent from 0.9409 for FY 2001 to 0.9424 for FY 2002, which results in an increase to the capital Federal rate in FY 2002 compared to FY 2001. The GAF/DRG adjustment factor decreased 0.66 percent from 0.9979 for FY 2001 to 0.9934 for FY 2002, which results in a decrease the capital Federal rate for FY 2002 compared to FY 2001. The effect of all these changes is a 2.28 percent increase in the FY 2002 capital Federal rate compared to FY 2001.

We are also providing a chart that shows how the final FY 2002 capital Federal rate differs from the proposed FY 2002 capital Federal rate.

COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2002 PROPOSED FEDERAL RATE AND FY 2002 FINAL FEDERAL RATE

| | Proposed FY 2002 | Final FY 2002 | Change | Percent change |
|---|---|---|---|---|
| Update factor | 1.0110 | 1.0130 | 1.0020 | 0.20 |
| GAF/DRG Adjustment Factor | 0.9913 | 0.9934 | 1.0021 | 0.21 |
| Outlier Adjustment Factor | 0.9426 | 0.9424 | 0.9998 | −0.02 |
| Exceptions Adjustment Factor | 0.9925 | 0.9929 | 1.0004 | 0.04 |
| Federal Rate | $389.09 | $390.74 | 1.0042 | 0.42 |

6. Special Rate for Puerto Rico Hospitals

As explained at the beginning of section II.D. of this Addendum, hospitals in Puerto Rico are paid based on 50 percent of the Puerto Rico rate and 50 percent of the Federal rate. The Puerto Rico rate is derived from the costs of Puerto Rico hospitals only, while the Federal rate is derived from the costs of all acute care hospitals participating in the prospective payment system (including Puerto Rico). To adjust hospitals' capital payments for geographic variations in capital costs, we apply a GAF to both portions of the blended rate. The GAF is calculated using the operating prospective payment system wage index and varies, depending on the MSA or rural area in which the hospital is located. We use the Puerto Rico wage index to determine the GAF for the Puerto Rico part of the capital-blended rate and the national wage index to determine the GAF for the national part of the blended rate.

Because we implemented a separate GAF for Puerto Rico in FY 1998, we also apply separate budget neutrality adjustments for the national GAF and for the Puerto Rico GAF. However, we apply the same budget neutrality factor for DRG reclassifications and recalibration nationally and for Puerto Rico. The Puerto Rico GAF budget neutrality factor is 0.9899, while the DRG adjustment is 0.9967, for a combined cumulative adjustment of 0.9866.

In computing the payment for a particular Puerto Rico hospital, the Puerto Rico portion of the rate (50 percent) is multiplied by the Puerto Rico-specific GAF for the MSA in which the hospital is located, and the national portion of the rate (50 percent) is multiplied by the national GAF for the MSA in which the hospital is located (which is computed from national data for all hospitals in the United States and Puerto Rico). In FY 1998, we implemented a 17.78 percent reduction to the Puerto Rico rate as a result of Public Law 105–33.

For FY 2001, before application of the GAF, the special rate for Puerto Rico hospitals was $185.06. As explained previously, in accordance with section 547 of Public Law 106–554, the FY 2002 adjustments and rates are based on the FY 2001 rates published in the August 1, 2000 final rule. With the changes we proposed to the factors used to determine the rate, the proposed FY 2002 special rate for Puerto Rico was $188.67. In this final rule, based on the final factors, the FY 2002 capital rate for Puerto Rico is $187.73.

7. Changes in the Capital Prospective Payment System Rates for FY 2001

In the June 13, 2001 interim final rule with comment period, we implemented section 301(b) of Public Law 106–554 (66 FR 32180).

Section 301(b) of Public Law 106–554 provided a special rule to implement the full market basket update to inpatient hospital operating prospective payment rates for FY 2001. Under this special rule, for discharges occurring on or after October 1, 2000 and before April 1, 2001, the update factor for inpatient prospective payment system hospitals (other than SCHs) is equal to the market basket percentage increase minus 1.1 percentage points. For discharges occurring on or after April 1, 2001 and before October 1, 2001, the update factor for the payment rates for inpatient prospective payment system hospitals (other than SCHs) is equal to the market basket percentage increase plus 1.1 percentage points. Section 547 of Public Law 106–554 makes this special rule applicable solely to payments in FY 2001, and the payment increases resulting for FY 2001 are not taken into

account in developing payments for future fiscal years.

As directed by the special rule in section 301(b) of Public Law 106–554, any discharges occurring on or after October 1, 2000, and before April 1, 2001, will be paid in accordance with the standardized amounts set forth in the FY 2001 hospital inpatient prospective payment system final rule published in the August 1, 2000 **Federal Register** (65 FR 47126). These rates were calculated using the market basket percentage increase of 3.4 percent minus 1.1 percentage points, for a 2.3 percent increase (see 65 FR 47112), as directed by section 1886(b)(3)(B)(i) of the Act, prior to the passage of Public Law 106–554.

As stated in the June 13, 2001 interim final rule with comment period, to implement the special rule under section 301(b) of Public Law 106–554, we recomputed the standardized amounts effective for discharges occurring on or after April 1, 2001. That is, we replaced the update factor of 2.3 percent applied to the standardized amounts in the August 1, 2000 final rule, with the update factor of 4.5 percent (the market basket percentage increase plus 1.1 percentage point, or 3.4 plus 1.1 percentage points).

As published in the June 13, 2001 interim final rule with comment period (66 FR 32180), the revised capital Federal rate for discharges occurring on or after April 1 2001, and before October 1, 2001, are shown in the table below.

FINAL FY 2001 CAPITAL RATES

[Effective April 1, 2001 to October 1, 2001]

| | |
|---|---|
| National Rate | $380.85 |
| Puerto Rico Rate | $184.61 |

Section 1886(d)(3)(B) of the Act directs the Secretary to adjust the inpatient operating national standardized amounts to account for the estimated proportion of operating DRG payments made to payments in outlier cases. Accordingly, as a result of this change to the update to the operating standardized amounts for discharges occurring on or after April 1, 2001, and before October 1, 2001, we revised the fixed-loss outlier thresholds. The regulations at § 412.312(c) establish a unified outlier methodology for inpatient operating and inpatient capital-related costs, which utilizes a single set of thresholds to identify outlier cases for both inpatient operating and inpatient capital prospective payment system payments. Because operating DRG payments increased as a result of section 301 of Public Law 106–554, we decreased the fixed-loss threshold. The decrease in the outlier threshold also results in an increase in the estimated outlier payments for capital from 5.91 percent to 6.21 percent. Thus, the capital national outlier adjustment factor was revised from 0.9409 (as specified in the August 1, 2000 final rule (65 FR 47121)) to 0.9379 (as specified in the June 13, 2001 interim final rule with comment period).

As stated earlier, the basic methodology for determining the capital Federal rate is set forth in §§ 412.308 through 412.352. Although the operating update to the standardized amounts was affected by section 301 of Public Law 106–554, the standard capital Federal rate update remained unchanged (0.9 percent). The exceptions adjustment factor was determined based on an estimate of the ratio of exception payments to total capital payments. As a result of the fixed-cost outlier threshold, which affects total capital payments, in order to maintain budget neutrality for exception payments, we revised the exception adjustment factor from 0.9785 to 0.9787. The national GAF/DRG budget neutrality factor was also revised from 0.9979 to 0.9978. The Puerto Rico GAF/DRG budget neutrality factor remained unchanged (1.0037). Accordingly, as a result of the revisions to the capital outlier reduction factor and the capital exceptions adjustment factor, for discharges occurring on or after April 1, 2001, and before October 1, 2001, the national capital Federal rate was revised from $382.03 (65 FR 47127) to $380.85 and the Puerto Rico capital rate was revised from $185.06 (65 FR 47127) to $184.61.

In accordance with § 412.328(e), the hospital-specific rate is determined using the update factor and the exceptions adjustment factor. As a result of revising the exceptions adjustment factor to account for the change to the fixed-loss outlier threshold resulting from the special payment rule for FY 2001 provided for under section 301(b) of Public Law 106–554, for discharges occurring on or after April 1, 2001, and before October 1, 2001, the cumulative net adjustment to the hospital-specific rate was revised from 1.0147 (65 FR 47124) to 1.0145. For discharges occurring on or after April 1, 2001, and before October 1, 2001, the hospital-specific rate was determined by multiplying the FY 2000 hospital-specific rate by the cumulative net adjustment of 1.0145.

B. Calculation of Inpatient Capital-Related Prospective Payments for FY 2002

With the end of the capital prospective payment system transition period, all hospitals (except ''new'' hospitals under § 412.324(b)) will be paid based on 100 percent of the Federal rate in FY 2002. The applicable Federal rate was determined by making adjustments as follows:

- For outliers, by dividing the standard Federal rate by the outlier reduction factor for that fiscal year; and
- For the payment adjustments applicable to the hospital, by multiplying the hospital's GAF, disproportionate share adjustment factor, and IME adjustment factor, when appropriate.

For purposes of calculating payments for each discharge during FY 2002, the standard Federal rate is adjusted as follows: (Standard Federal Rate) × (DRG weight) × (GAF) × (Large Urban Add-on, if applicable) × (COLA adjustment for hospitals located in Alaska and Hawaii) × (1 + Disproportionate Share Adjustment Factor + IME Adjustment Factor, if applicable). The result is the adjusted Federal rate.

Hospitals also may receive outlier payments for those cases that qualifyFY under the thresholds established for each fiscal year. Section 412.312(c) provides for a single set of thresholds to identify outlier cases for both inpatient operating and inpatient capital-related payments. The outlier thresholds for FY 2002 are in section II.A.4.c. of this Addendum. For FY 2002, a case qualifies as a cost outlier if the cost for the case plus the IME and DSH payments is greater than the prospective payment rate for the DRG plus $21,025.

During the capital prospective payment system transition period, a hospital also may receive an additional payment under the regular exceptions process through its cost reporting period beginning before October 1, 2001, but ending in FY 2002 if its total inpatient capital-related payments are less than a minimum percentage of its allowable Medicare inpatient capital-related costs. The minimum payment level is established by class of hospital under § 412.348(c). Under § 412.348(d), the amount of a regular exceptions payment is determined by comparing the cumulative payments made to the hospital under the capital prospective payment system to the cumulative minimum payment levels applicable to the hospital for each cost reporting period subject to that system. Any amount by which the hospital's cumulative payments exceed its

cumulative minimum payment is deducted from the additional payment that would otherwise be payable for a cost reporting period.

An eligible hospital may qualify for a special exception payment under § 412.348(g) for up through the 10th year beyond the end of the capital transition period if it meets (1) a project need requirement described at § 412.348(g)(2), which in the case of certain urban hospitals includes an excess capacity test; and (2) a project size requirement as described at § 412.348(g)(5). Eligible hospitals include sole community hospitals, urban hospitals with at least 100 beds that have a DSH patient percentage of at least 20.2 percent, and hospitals that have a combined Medicare and Medicaid inpatient utilization of at least 70 percent. Under § 412.348(g)(8), the amount of a special exceptions payment is determined by comparing the cumulative payments made to the hospital under the capital prospective payment system to the cumulative minimum payment level. This amount is offset by (1) any amount by which a hospital's cumulative capital payments exceed its cumulative minimum payment levels applicable under the regular exceptions process for cost reporting periods beginning during which the hospital has been subject to the capital prospective payment system; and (2) any amount by which a hospital's current year operating and capital payments (excluding 75 percent of operating DSH payments) exceed its operating and capital costs. The minimum payment level is 70 percent for all eligible hospitals under § 412.348(g).

New hospitals, as defined under § 412.300, are exempted from the capital prospective payment system for their first 2 years of operation and are paid 85 percent of their reasonable costs during that period. A new hospital's old capital costs are its allowable costs for capital assets that were put in use for patient care on or before the later of December 31, 1990, or the last day of the hospital's base year cost reporting period, and are subject to the rules pertaining to old capital and obligated capital as of the applicable date. Effective with the third year of operation through the remainder of the transition period, we will pay the hospital under either the fully prospective methodology, using the appropriate transition blend in that Federal fiscal year, or the hold-harmless methodology. If the hold-harmless methodology is applicable, the hold-harmless payment for assets in use during the base period would extend for 8 years, even if the hold-harmless payments extend beyond the normal transition period.

*C. Capital Input Price Index*

1. Background

Like the operating input price index, the capital input price index (CIPI) is a fixed-weight price index that measures the price changes associated with costs during a given year. The CIPI differs from the operating input price index in one important aspect—the CIPI reflects the vintage nature of capital, which is the acquisition and use of capital over time. Capital expenses in any given year are determined by the stock of capital in that year (that is, capital that remains on hand from all current and prior capital acquisitions). An index measuring capital price changes needs to reflect this vintage nature of capital. Therefore, the CIPI was developed to capture the vintage nature of capital by using a weighted-average of past capital purchase prices up to and including the current year.

Using Medicare cost reports, American Hospital Association (AHA) data, and Securities Data Company data, a vintage-weighted price index was developed to measure price increases associated with capital expenses. We periodically update the base year for the operating and capital input prices to reflect the changing composition of inputs for operating and capital expenses. Currently, the CIPI is based to FY 1992 and was last rebased in 1997. The most recent discussion of the cost category weights in the CIPI was in the final rule with comment period for FY 1998 published on August 29, 1997 (62 FR 46050).

2. Forecast of the CIPI for Federal Fiscal Year 2002

We are forecasting the CIPI to increase 0.7 percent for FY 2002. This reflects a projected 1.4 percent increase in vintage-weighted depreciation prices (building and fixed equipment, and movable equipment) and a 3.3 percent increase in other capital expense prices in FY 2002, partially offset by a 2.0 percent decline in vintage-weighted interest rates in FY 2002. The weighted average of these three factors produces the 0.7 percent increase for the CIPI as a whole.

## IV. Changes to Payment Rates for Excluded Hospitals and Hospital Units: Rate-of-Increase Percentages

The inpatient operating costs of hospitals and hospital units excluded from the prospective payment system are subject to rate-of-increase limits established under the authority of section 1886(b) of the Act, which is implemented in regulations at § 413.40. Under these limits, a hospital-specific target amount (expressed in terms of the inpatient operating cost per discharge) is set for each hospital, based on the hospital's own historical cost experience trended forward by the applicable rate-of-increase percentages (update factors). In the case of a psychiatric hospital or hospital unit, a rehabilitation hospital or hospital unit, or a long-term care hospital, the target amount may not exceed the updated figure for the 75th percentile of target amounts adjusted to take into account differences between average wage-related costs in the area of the hospital and the national average of such costs within the same class of hospital for hospitals and units in the same class (psychiatric, rehabilitation, and long-term care) for cost reporting periods ending during FY 1996. The target amount is multiplied by the number of Medicare discharges in a hospital's cost reporting period, yielding the ceiling on aggregate Medicare inpatient operating costs for the cost reporting period.

Each hospital-specific target amount is adjusted annually, at the beginning of each hospital's cost reporting period, by an applicable update factor.

Section 1886(b)(3)(B) of the Act, which is implemented in regulations at § 413.40(c)(3)(vii), provides that for cost reporting periods beginning on or after October 1, 1998 and before October 1, 2002, the update factor for a hospital or unit depends on the hospital's or hospital unit's costs in relation to the ceiling for the most recent cost reporting period for which information is available. For hospitals with costs exceeding the ceiling by 10 percent or more, the update factor is the market basket increase. For hospitals with costs exceeding the ceiling by less than 10 percent, the update factor is the market basket minus .25 percent for each percentage point by which costs are less than 10 percent over the ceiling. For hospitals with costs equal to or less than the ceiling but greater than 66.7 percent of the ceiling, the update factor is the greater of 0 percent or the market basket minus 2.5 percent. For hospitals with costs that do not exceed 66.7 percent of the ceiling, the update factor is 0.

The most recent forecast of the market basket increase for FY 2002 for hospitals and hospital units excluded from the prospective payment system is 3.3 percent. Therefore, the update to a hospital's target amount for its cost reporting period beginning in FY 2002 would be between 0.8 and 3.3 percent, or 0 percent, depending on the

hospital's or unit's costs in relation to its rate-of-increase limit.

In addition, § 413.40(c)(4)(iii) requires that for cost reporting periods beginning on or after October 1, 1998, and before October 1, 2002, the target amount for each psychiatric hospital or hospital unit, rehabilitation hospital or hospital unit, and long-term care hospital cannot exceed a cap on the target amounts for hospitals in the same class.

Section 1886(b)(3)(H) of the Act, as amended by section 121 of Public Law 106–113, provides for an appropriate wage adjustment to the caps on the target amounts for psychiatric hospitals and units, rehabilitation hospitals and units, and long-term care hospitals, effective for cost reporting periods beginning on or after October 1, 1999, through September 30, 2002. On August 1, 2000, we published an interim final rule with comment period that implemented this provision for cost reporting periods beginning on or after October 1, 1999 and before October 1, 2000 (65 FR 47026) and a final rule that implemented the provision for cost reporting periods beginning on or after October 1, 2000, and before October 1, 2001 (65 FR 47054). This final rule addresses the wage adjustment to the caps for cost reporting periods beginning on or after October 1, 2001.

As discussed in section VI. of the preamble of this final rule, the cap on the target amount per discharge is determined by adding the hospital's nonlabor-related portion of the national 75th percentile cap to its wage-adjusted, labor-related portion of the national 75th percentile cap (the labor-related portion of costs equals 0.71553 and the nonlabor-related portion of costs equals 0.28447). A hospital's wage-adjusted, labor-related portion of the target amount is calculated by multiplying the labor-related portion of the national 75th percentile cap for the hospital's class by the wage index under the hospital inpatient prospective payment system (see § 412.63), without taking into account reclassifications under sections 1886(d)(8)(B) and (d)(10) of the Act.

As discussed in section VI. of the preamble of this final rule, we have made an adjustment to the caps on target amounts for new and existing excluded hospitals and units. In calculating the wage-adjusted caps on target amounts for new and existing excluded and units for FY 2001, we inadvertently made an error. In wage neutralizing FY 1996 target amounts, we used the FY 2000 hospital inpatient prospective payment system wage index published in Tables 4A and 4B of the July 30, 1999 final rule (64 FR 41585 through 41593), which is based on wage data after taking into account geographic reclassifications under section 1886(d)(8) of the Act. We have used pre-reclassified wage data in our recalculation of the caps for FY 2002. We recalculated both the limits for new excluded hospitals and units and the caps for existing excluded hospitals and units, using the same wage index used under the prospective payment system for skilled nursing facilities (SNF) as shown in Table 7 of the July 30, 1999 SNF final rule (64 FR 41690). We do not anticipate a significant impact on overall payments to these hospitals and units.

Section 307(a) of Public Law 106–554 amended section 1886(b)(3) of the Act to provide for a 2-percent increase to the wage-adjusted 75th percentile cap on the target amount for long-term care hospitals, effective for cost reporting periods beginning during FY 2001. This provision is applicable to long-term care hospitals that were subject to the cap for existing excluded hospitals and units, as specified in § 413.40(c).

In addition to the increase to the cap on the target amounts for long-term care hospitals, section 307(a) of Public Law 106–554 amended section 1886(b)(3)(A) of the Act to make the section applicable to all long-term care hospitals, effective for cost reporting periods beginning during FY 2001. This provision requires a revision to the determination of each long-term care hospital's FY 2001 target amount as specified in § 413.40(c)(4). For cost reporting periods beginning during FY 2001, the hospital-specific target amount otherwise determined for a long-term care hospital as specified under § 413.40(c)(4)(ii) is multiplied by 1.25 (that is, increased by 25 percent). However, the revised FY 2001 target amount for a long-term care hospital cannot exceed its wage-adjusted national cap as required by section 1886(b)(3) of the Act, as amended by section 307(a) of Public Law 106–554.

For cost reporting periods beginning in FY 2002, in the May 4, 2001 proposed rule, we included the following proposed caps:

| Class of excluded hospital or unit | Labor-related share | Nonlabor-related share |
|---|---|---|
| Psychiatric ..... | $8,404 | $ 3,341 |
| Rehabilitation .... | $15,689 | $6,237 |
| Long-Term Care | $31,399 | $12,483 |

In this final rule, using updated data, we have recalculated the proposed caps for cost reporting periods beginning in FY 2002. The final FY 2002 caps are listed below:

| Class of excluded hospital or unit | Labor-related shae | Nonlabor-related share |
|---|---|---|
| Psychiatric ..... | $8,429 | $3,351 |
| Rehabilitation .... | $15,736 | $6,256 |
| Long-Term Care | $31,490 | $12,519 |

Regulations at § 413.40(d) specify the formulas for determining bonus and relief payments for excluded hospitals and specify established criteria for an additional bonus payment for continuous improvement. Regulations at § 413.40(f)(2)(ii) specify the payment methodology for new hospitals and hospital units (psychiatric, rehabilitation, and long-term care) effective October 1, 1997.

**V. Tables**

This section contains the tables referred to throughout the preamble to this final rule and in this Addendum. For purposes of this final rule, and to avoid confusion, we have retained the designations of Tables 1 and 5 that were first used in the September 1, 1983 initial prospective payment final rule (48 FR 39844). Tables 1A, 1C, 1D, 2, 3A, 3B, 4A, 4B, 4C, 4F, 4G, 4H, 5, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H, 7A, 7B, 8A, and 8B are presented below. The tables presented below are as follows:

Table 1A—National Adjusted Operating Standardized Amounts, Labor/Nonlabor
Table 1C—Adjusted Operating Standardized Amounts for Puerto Rico, Labor/Nonlabor
Table 1D—Capital Standard Federal Payment Rate
Table 2—Hospital Average Hourly Wage for Federal Fiscal Years 2000 (1996 Wage Data), 2001 (1997 Wage Data) and 2002 (1998 Wage Data) Wage Indexes and 3-Year Average of Hospital Average Hourly Wages
Table 3A—FY 2002 and 3-Year Average Hourly Wage for Urban Areas
Table 3B—FY 2002 and 3-Year Average Hourly Wage for Rural Areas
Table 4A—Wage Index and Capital Geographic Adjustment Factor (GAF) for Urban Areas
Table 4B—Wage Index and Capital Geographic Adjustment Factor (GAF) for Rural Areas
Table 4C—Wage Index and Capital Geographic Adjustment Factor (GAF) for Hospitals That Are Reclassified
Table 4F—Puerto Rico Wage Index and Capital Geographic –Adjustment Factor (GAF)
Table 4G—Pre-Reclassified Wage Index for Urban Areas
Table 4H—Pre-Reclassified Wage Index for Rural Areas
Table 5—List of Diagnosis Related Groups (DRGs), Relative Weighting Factors, Geometric and Arithmetic Mean Length of Stay
Table 6A—New Diagnosis Codes
Table 6B—New Procedure Codes
Table 6C—Invalid Diagnosis Codes
Table 6D—Invalid Procedure Codes
Table 6E—Revised Diagnosis Code Titles
Table 6F—Revised Procedure Code Titles
Table 6G—Additions to the CC Exclusions List
Table 6H—Deletions to the CC Exclusions List
Table 7A—Medicare Prospective Payment System Selected –Percentile Lengths of Stay FY 2000 MedPAR Update 3/01 –GROUPER V18.0
Table 7B—Medicare Prospective Payment System Selected Percentile Lengths of Stay FY 2000 MedPAR Update 3/01 GROUPER V19.0
Table 8A—Statewide Average Operating Cost-to-Charge Ratios for Urban and Rural Hospitals (Case Weighted) July 2001
Table 8B—Statewide Average Capital Cost-to-Charge Ratios (Case Weighted) July 2001

TABLE 1A.—NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR

| Large Urban Areas | | Other Areas | |
|---|---|---|---|
| Labor-related | Nonlabor-related | Labor-related | Nonlabor-related |
| $2,955.44 | $1,201.30 | $2,908.65 | $1,182.27 |

TABLE 1C.—ADJUSTED OPERATING STANDARDIZED AMOUNTS FOR PUERTO RICO, LABOR/NONLABOR

| | Large Urban Areas | | Other Areas | |
|---|---|---|---|---|
| | Labor | Nonlabor | Labor | Nonlabor |
| National PR | $2,929.57 | $1,190.78 | $2,929.57 | $1,190.78 |
| Puerto Rico | 1,420.07 | 571.61 | 1,397.59 | 562.56 |

TABLE 1D.—CAPITAL STANDARD FEDERAL PAYMENT RATE

| | Rate |
|---|---|
| National | $390.74 |
| Puerto Rico | 187.73 |

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 010001 | 15.8484 | 16.4088 | 17.4467 | 16.5711 |
| 010004 | 15.0194 | 17.9732 | 19.0010 | 17.1863 |
| 010005 | 16.2615 | 17.5985 | 18.6554 | 17.4986 |
| 010006 | 17.3081 | 16.7480 | 17.6115 | 17.2150 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 010007 | 14.8048 | 15.4798 | 15.6788 | 15.3288 |
| 010008 | 17.6549 | 14.7443 | 17.4728 | 16.6080 |
| 010009 | 17.5328 | 18.7731 | 18.4979 | 18.2633 |
| 010010 | 15.9090 | 16.4468 | 16.4664 | 16.2848 |
| 010011 | 20.6261 | 20.7972 | 22.4292 | 21.2601 |
| 010012 | 19.2992 | 17.7171 | 15.8686 | 17.5430 |
| 010015 | 18.3461 | 15.4510 | 19.1178 | 17.5372 |
| 010016 | 16.1311 | 17.2473 | 20.2198 | 17.8844 |
| 010018 | 18.9617 | 17.6449 | 18.9388 | 18.5180 |
| 010019 | 15.4910 | 16.3493 | 17.0856 | 16.3311 |
| 010021 | 14.6297 | 16.2919 | 15.1241 | 15.3000 |
| 010022 | 20.5050 | 18.5879 | 17.6435 | 18.8422 |
| 010023 | 16.2581 | 16.1025 | 16.3209 | 16.2283 |
| 010024 | 16.0263 | 16.2900 | 15.9034 | 16.0692 |
| 010025 | 14.5311 | 15.1356 | 15.1548 | 14.9441 |
| 010027 | 14.9278 | 11.7900 | 16.8595 | 14.1053 |
| 010029 | 16.4103 | 17.6461 | 18.3605 | 17.4403 |
| 010031 | 18.0194 | 18.7835 | 18.6402 | 18.4877 |
| 010032 | 12.6540 | 12.5995 | 15.3590 | 13.6017 |
| 010033 | 19.6797 | 20.3923 | 21.2986 | 20.4581 |
| 010034 | 14.7342 | 15.0959 | 15.3639 | 15.0606 |
| 010035 | 17.4788 | 20.1853 | 15.9439 | 17.6916 |
| 010036 | 17.2880 | 17.8140 | 17.7166 | 17.6061 |
| 010038 | 18.3309 | 18.2671 | 19.6098 | 18.7632 |
| 010039 | 18.8080 | 20.1045 | 20.3406 | 19.7778 |
| 010040 | 19.1030 | 18.9376 | 20.0983 | 19.3415 |
| 010043 | 16.2022 | 30.7489 | 18.6640 | 19.9982 |
| 010044 | 17.0229 | 22.0091 | 24.0265 | 20.8906 |
| 010045 | 15.0065 | 15.2200 | 17.0417 | 15.7248 |
| 010046 | 17.1822 | 17.3970 | 18.9737 | 17.8750 |
| 010047 | 16.3803 | 13.3521 | 15.4190 | 15.2030 |
| 010049 | 14.4823 | 14.7590 | 15.5246 | 14.9487 |
| 010050 | 15.4159 | 18.5163 | 17.9830 | 17.2796 |
| 010051 | 9.9390 | 11.9275 | 11.8108 | 11.1940 |
| 010052 | 13.8649 | 16.5486 | 18.0653 | 16.1248 |
| 010053 | 13.1778 | 14.6267 | 15.5649 | 14.5406 |
| 010054 | 17.1246 | 18.5103 | 19.4955 | 18.4846 |
| 010055 | 18.1930 | 18.9526 | 18.8590 | 18.6711 |
| 010056 | 19.0783 | 19.2175 | 19.6577 | 19.3204 |
| 010058 | 12.7809 | 16.1702 | 16.9715 | 15.1274 |
| 010059 | 18.1886 | 19.1286 | 18.8020 | 18.7124 |
| 010061 | 15.9215 | 14.9547 | 14.5003 | 15.1112 |
| 010062 | 13.5690 | 14.7732 | 12.3259 | 13.5151 |
| 010064 | 20.8966 | 20.4139 | 19.5256 | 20.2712 |
| 010065 | 15.6357 | 16.4049 | 16.8752 | 16.3279 |
| 010066 | 12.0681 | 15.4317 | 13.1559 | 13.4757 |
| 010068 | 18.7367 | 12.0525 | 18.6925 | 15.8875 |
| 010069 | 13.5684 | 13.8636 | 14.7211 | 14.0429 |
| 010072 | 14.3481 | 14.9526 | 16.2339 | 15.1957 |
| 010073 | 12.8328 | 13.8601 | 14.1273 | 13.6015 |
| 010078 | 17.7110 | 17.9202 | 18.1363 | 17.9248 |
| 010079 | 16.8701 | 16.4421 | 17.0648 | 16.7882 |
| 010080 | 13.8473 | * | * | 13.8473 |
| 010081 | 16.9823 | 18.9474 | 17.2996 | 17.7081 |
| 010083 | 16.2146 | 16.8933 | 18.0312 | 17.0916 |
| 010084 | 18.7794 | 18.4965 | 18.7769 | 18.6812 |
| 010085 | 18.8696 | 18.4744 | 19.9023 | 19.0736 |
| 010086 | 14.9255 | 16.6694 | 16.5711 | 16.0968 |
| 010087 | 18.3889 | 19.0033 | 18.0567 | 18.5192 |
| 010089 | 16.6090 | 16.8042 | 17.7800 | 17.0521 |
| 010090 | 18.1121 | 18.3866 | 18.9445 | 18.4882 |
| 010091 | 16.3620 | 13.9405 | 17.0799 | 15.6820 |
| 010092 | 16.4980 | 16.9900 | 17.8144 | 17.1322 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 010094 | 18.5603 | * | * | 18.5603 |
| 010095 | 11.8993 | 12.4525 | 12.2597 | 12.2090 |
| 010097 | 12.8955 | 13.0413 | 12.7286 | 12.8889 |
| 010098 | 14.2787 | 15.9165 | 14.0300 | 14.6833 |
| 010099 | 15.9309 | 15.9874 | 15.5619 | 15.8073 |
| 010100 | 15.4826 | 17.2011 | 17.9430 | 16.9229 |
| 010101 | 15.4173 | 15.3859 | 14.4625 | 15.0781 |
| 010102 | 12.7251 | 13.7933 | 13.8136 | 13.4259 |
| 010103 | 19.3115 | 17.9358 | 17.7242 | 18.3325 |
| 010104 | 18.0997 | 17.7126 | 16.8457 | 17.5501 |
| 010108 | 20.7914 | 17.9017 | 19.4617 | 19.3047 |
| 010109 | 14.0870 | 15.3107 | 14.6752 | 14.6907 |
| 010110 | 15.9066 | 15.6317 | 15.8283 | 15.7917 |
| 010112 | 15.1056 | 15.1401 | 16.8271 | 15.6716 |
| 010113 | 17.2440 | 16.9683 | 16.8936 | 17.0309 |
| 010114 | 17.2612 | 15.2454 | 17.0760 | 16.4722 |
| 010115 | 13.7524 | 14.6268 | 14.2261 | 14.2120 |
| 010118 | 16.6889 | 18.8477 | 17.0834 | 17.5145 |
| 010119 | 18.1707 | 18.8024 | 19.3942 | 18.9605 |
| 010120 | 17.0332 | 17.2336 | 18.2567 | 17.5146 |
| 010121 | 15.1806 | 14.6444 | 14.5262 | 14.8160 |
| 010123 | 18.1604 | 16.7344 | 19.2140 | 17.9949 |
| 010124 | 16.2666 | 16.2846 | 16.7465 | 16.4273 |
| 010125 | 14.4153 | 15.5304 | 16.0136 | 15.3557 |
| 010126 | 17.6405 | 19.5710 | 19.1065 | 18.7347 |
| 010127 | 19.6095 | 19.5190 | 18.2786 | 19.1726 |
| 010128 | 12.5747 | 14.5056 | 14.4322 | 13.6385 |
| 010129 | 14.4267 | 14.7286 | 16.1733 | 15.1385 |
| 010130 | 16.3465 | 16.6809 | 19.5573 | 17.3907 |
| 010131 | 17.9076 | 17.8260 | 20.1883 | 18.6602 |
| 010134 | 10.7817 | 18.8835 | 19.9856 | 15.8677 |
| 010137 | 15.9348 | 12.1217 | 20.5828 | 15.9236 |
| 010138 | 12.1295 | 12.8675 | 14.5254 | 13.1763 |
| 010139 | 19.9487 | 19.0001 | 20.4331 | 19.7578 |
| 010143 | 15.7144 | 16.7911 | 17.6212 | 16.7651 |
| 010144 | 17.1211 | 17.1320 | 18.2040 | 17.4771 |
| 010145 | 20.7460 | 20.8434 | 20.5895 | 20.7209 |
| 010146 | 18.8561 | 18.5198 | 19.1415 | 18.8309 |
| 010148 | 14.6443 | 12.2214 | 15.8349 | 13.9784 |
| 010149 | 17.0836 | 18.6333 | 18.0156 | 17.9216 |
| 010150 | 16.9749 | 17.8951 | 18.9359 | 17.9332 |
| 010152 | 17.3835 | 17.8306 | 18.7677 | 18.0088 |
| 010155 | 16.7028 | 9.0300 | 15.0689 | 12.5183 |
| 010158 | * | 17.3227 | 18.3957 | 17.8637 |
| 020001 | 27.9690 | 28.1747 | 28.0394 | 28.0627 |
| 020002 | 26.9145 | 24.5815 | 25.1987 | 25.5092 |
| 020004 | 26.3979 | 30.5667 | 25.4679 | 27.5927 |
| 020005 | 29.0068 | 30.2920 | 29.2378 | 29.5337 |
| 020006 | 26.7706 | 31.2404 | 28.1417 | 28.8630 |
| 020007 | 24.9555 | 27.8319 | 32.3852 | 28.0097 |
| 020008 | 30.4712 | 29.4146 | 30.8691 | 30.2487 |
| 020009 | 23.1801 | 20.1930 | 18.4660 | 20.3801 |
| 020010 | 18.6417 | 23.6727 | 22.7559 | 21.4818 |
| 020011 | 29.4697 | 30.4727 | 28.0658 | 29.3006 |
| 020012 | 23.9259 | 24.8543 | 25.5320 | 24.7635 |
| 020013 | 26.8172 | 23.8847 | 28.1557 | 26.0576 |
| 020014 | 24.0932 | 27.3823 | 24.5875 | 25.3179 |
| 020017 | 24.9714 | 26.8319 | 28.0572 | 26.6405 |
| 020024 | 22.7263 | 24.0872 | 25.3205 | 24.0621 |
| 020025 | 27.1529 | 21.7557 | 20.2583 | 22.6334 |
| 030001 | 19.8695 | 20.3673 | 21.7869 | 20.6506 |
| 030002 | 21.6263 | 21.5977 | 21.8375 | 21.6886 |
| 030003 | 23.6722 | 23.4833 | 22.6804 | 23.3063 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 030004 | 17.7333 | 14.0711 | 15.5478 | 15.4308 |
| 030006 | 17.6409 | 18.2668 | 20.0273 | 18.6274 |
| 030007 | 18.5602 | 19.6708 | 21.5169 | 19.9379 |
| 030008 | * | 22.2758 | 22.2190 | 22.2524 |
| 030009 | 17.9343 | 18.1794 | 18.7557 | 18.2786 |
| 030010 | 18.7997 | 19.0907 | 19.5123 | 19.1422 |
| 030011 | 20.0784 | 19.2973 | 19.4310 | 19.5785 |
| 030012 | 19.4245 | 18.9918 | 20.6585 | 19.6997 |
| 030013 | 21.0182 | 20.7458 | 20.0535 | 20.5870 |
| 030014 | 19.4697 | 19.9315 | 19.7966 | 19.7342 |
| 030016 | 20.5606 | 19.3967 | 19.4785 | 19.8559 |
| 030017 | 20.4185 | 22.8765 | 21.7938 | 21.6805 |
| 030018 | 18.9115 | 20.2032 | 20.8980 | 20.0193 |
| 030019 | 19.9211 | 21.7005 | 21.2540 | 20.9846 |
| 030022 | 15.7886 | 19.2966 | 19.5794 | 17.6713 |
| 030023 | 22.4365 | 23.6697 | 24.1678 | 23.4686 |
| 030024 | 21.6692 | 22.2541 | 23.6009 | 22.5290 |
| 030025 | 17.6759 | 12.7254 | 11.9894 | 13.7385 |
| 030027 | 17.5796 | 15.7554 | 17.6555 | 16.9563 |
| 030030 | 21.6249 | 20.8303 | 21.6932 | 21.3795 |
| 030033 | 16.8396 | 20.0044 | 20.2820 | 18.9069 |
| 030034 | 19.0868 | 16.8241 | 20.8689 | 18.8279 |
| 030035 | 19.7153 | 19.2781 | 20.0226 | 19.6580 |
| 030036 | 18.9449 | 20.7567 | 21.6371 | 20.4743 |
| 030037 | 21.4376 | 22.8266 | 23.7615 | 22.6712 |
| 030038 | 22.0777 | 22.6776 | 22.9822 | 22.5885 |
| 030040 | 17.9722 | 18.5456 | 19.7636 | 18.7537 |
| 030041 | 17.4389 | 15.8921 | 18.8717 | 17.2718 |
| 030043 | 20.7721 | 20.9341 | 20.5598 | 20.7468 |
| 030044 | 16.4654 | 16.8649 | 17.6575 | 17.0214 |
| 030047 | 19.6916 | 22.6401 | 21.4412 | 21.2271 |
| 030049 | 19.0896 | 19.0881 | 19.3580 | 19.1639 |
| 030054 | 14.4861 | 15.3338 | 15.0657 | 14.9801 |
| 030055 | 18.2751 | 16.3613 | 20.2991 | 18.2684 |
| 030059 | 21.7100 | 24.0465 | 22.6279 | 22.7570 |
| 030060 | 16.7661 | 19.2461 | 18.6313 | 18.2043 |
| 030061 | 17.3470 | 18.9063 | 19.9047 | 18.7238 |
| 030062 | 17.4825 | 17.6738 | 18.7172 | 17.9978 |
| 030064 | 18.5391 | 19.5673 | 20.3837 | 19.5213 |
| 030065 | 19.9277 | 20.5130 | 20.7838 | 20.4254 |
| 030067 | 15.6207 | 14.4446 | 17.2778 | 15.7364 |
| 030068 | 17.3482 | 17.3614 | 17.7208 | 17.4823 |
| 030069 | 19.0013 | 19.0961 | 21.0936 | 19.7255 |
| 030080 | 19.9865 | 20.5144 | 20.6581 | 20.3684 |
| 030083 | 23.6433 | 23.3355 | 23.5229 | 23.4991 |
| 030085 | 17.8402 | 21.0954 | 20.8690 | 19.9451 |
| 030086 | 18.5030 | 19.5436 | * | 19.0352 |
| 030087 | 20.0469 | 21.4084 | 21.9465 | 21.1838 |
| 030088 | 19.5772 | 19.8682 | 20.5340 | 20.0152 |
| 030089 | 19.9018 | 20.4019 | 20.9516 | 20.4404 |
| 030092 | 21.5628 | 20.6986 | 21.8308 | 21.3646 |
| 030093 | 19.4688 | 19.7262 | 20.4314 | 19.9052 |
| 030094 | 19.4773 | 21.6218 | 22.8123 | 21.4086 |
| 030095 | 14.2499 | 13.7293 | 13.7664 | 13.9087 |
| 030099 | 18.0747 | 16.1541 | 18.2263 | 17.4781 |
| 030100 | * | * | 23.7609 | 23.7609 |
| 030101 | * | * | 19.2547 | 19.2547 |
| 030102 | * | * | 18.2413 | 18.2413 |
| 040001 | 15.5735 | 15.1624 | 16.9178 | 15.8741 |
| 040002 | 14.0865 | 13.0592 | 15.1107 | 14.0333 |
| 040003 | 14.0027 | 14.2089 | 15.5740 | 14.5731 |
| 040004 | 17.2926 | 17.8476 | 17.9034 | 17.6718 |
| 040005 | 12.8825 | 13.2597 | 11.1318 | 12.3937 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 040007 | 19.5299 | 21.9583 | 18.6998 | 19.9568 |
| 040008 | 12.6974 | 15.3040 | 14.7985 | 14.3087 |
| 040010 | 17.6231 | 18.6023 | 19.4913 | 18.6031 |
| 040011 | 12.2654 | 14.5319 | 16.0995 | 14.1756 |
| 040014 | 15.3853 | 17.6340 | 18.1434 | 17.0051 |
| 040015 | 14.6045 | 16.5891 | 15.5207 | 15.5649 |
| 040016 | 17.5431 | 19.0295 | 20.2321 | 18.9152 |
| 040017 | 14.9533 | 13.5098 | 15.4736 | 14.6592 |
| 040018 | 17.5602 | 17.6027 | 18.7463 | 17.9749 |
| 040019 | 25.7080 | 22.6769 | 23.4163 | 23.8479 |
| 040020 | 14.8059 | 16.4827 | 18.9844 | 16.6335 |
| 040021 | 16.4628 | 17.6398 | 19.6835 | 17.8176 |
| 040022 | 16.0006 | 17.0397 | 20.8281 | 17.7640 |
| 040024 | 15.7282 | 14.4541 | 17.6607 | 15.9615 |
| 040025 | 10.9496 | 11.5079 | 13.4705 | 11.8847 |
| 040026 | 18.2398 | 19.5563 | 19.7924 | 19.1863 |
| 040027 | 14.5406 | 16.0975 | 17.4431 | 16.0716 |
| 040028 | 12.8409 | 14.6584 | 13.9946 | 13.7921 |
| 040029 | 17.7777 | 17.8787 | 21.1370 | 18.9480 |
| 040030 | 14.1541 | 13.5428 | 11.2402 | 12.7784 |
| 040032 | 13.3280 | 13.7030 | 13.2872 | 13.4471 |
| 040035 | 11.2123 | 12.8300 | 10.9569 | 11.6408 |
| 040036 | 17.9080 | 18.9757 | 20.2012 | 19.0415 |
| 040037 | 13.4815 | 14.6559 | 14.0941 | 14.0704 |
| 040039 | 13.8386 | 14.3576 | 14.7177 | 14.3115 |
| 040040 | 17.4283 | 18.0895 | 19.1984 | 18.2668 |
| 040041 | 13.3613 | 15.9896 | 16.4624 | 15.2103 |
| 040042 | 14.6641 | 15.2142 | 15.2057 | 15.0333 |
| 040044 | 11.4422 | 12.6275 | 13.3501 | 12.5381 |
| 040045 | 18.7724 | 14.9429 | 16.2469 | 16.4870 |
| 040047 | 16.3948 | 16.8654 | 17.5336 | 16.9538 |
| 040048 | 15.8203 | * | * | 15.8203 |
| 040050 | 11.7934 | 13.3818 | 14.0036 | 13.0341 |
| 040051 | 16.2803 | 15.8627 | 16.6039 | 16.2390 |
| 040053 | 15.8193 | 16.3610 | 15.0219 | 15.7502 |
| 040054 | 15.0412 | 15.3219 | 14.2577 | 14.8844 |
| 040055 | 16.1029 | 17.1269 | 18.0414 | 17.0866 |
| 040058 | 15.6706 | 17.6766 | 16.4278 | 16.6344 |
| 040060 | 11.4686 | 12.8148 | 17.9805 | 13.6105 |
| 040062 | 17.2757 | 18.2048 | 17.8902 | 17.8204 |
| 040064 | 12.4007 | 10.7255 | 11.5029 | 11.4801 |
| 040066 | 17.6429 | 18.3377 | 19.7144 | 18.5416 |
| 040067 | 13.4930 | 14.6014 | 14.4741 | 14.1956 |
| 040069 | 16.1147 | 17.5052 | 17.0026 | 16.8681 |
| 040070 | 15.4757 | 16.9027 | 16.9700 | 16.4358 |
| 040071 | 16.3022 | 16.9610 | 17.6144 | 16.9553 |
| 040072 | 15.8425 | 16.0895 | 17.4960 | 16.4940 |
| 040074 | 17.3819 | 18.3224 | 18.7542 | 18.1968 |
| 040075 | 12.7496 | 13.3623 | 14.0975 | 13.3977 |
| 040076 | 18.5512 | 19.0732 | 20.5840 | 19.3801 |
| 040077 | 12.4625 | 12.9211 | 13.9114 | 13.0965 |
| 040078 | 17.8573 | 18.7600 | 18.5821 | 18.4100 |
| 040080 | 15.7397 | 19.2461 | 19.3707 | 18.0636 |
| 040081 | 10.6791 | 11.3169 | 11.1332 | 11.0311 |
| 040082 | 16.5127 | 16.2152 | 15.1331 | 15.9302 |
| 040084 | 17.2469 | 17.2613 | 17.7295 | 17.4070 |
| 040085 | 15.7765 | 16.8957 | 16.5216 | 16.3838 |
| 040088 | 15.6710 | 17.9636 | 17.1624 | 16.9372 |
| 040090 | 17.5503 | 17.8282 | 19.0824 | 18.0989 |
| 040091 | 17.0444 | 19.8700 | 20.1378 | 18.8893 |
| 040093 | 12.9010 | 12.3537 | 13.9741 | 13.0114 |
| 040100 | 14.9688 | 14.7587 | 15.6833 | 15.1704 |
| 040105 | 14.2409 | 15.3319 | 14.3896 | 14.6616 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 040106 | 15.4000 | 15.6545 | 18.1341 | 16.4515 |
| 040107 | 19.6184 | 18.8120 | 17.8628 | 18.6841 |
| 040109 | 13.9807 | 14.6266 | 16.6278 | 15.0815 |
| 040114 | 18.3133 | 18.8743 | 21.1231 | 19.3828 |
| 040116 | 19.5695 | 20.2716 | * | 19.9151 |
| 040118 | 17.4300 | 19.3720 | 18.2123 | 18.3407 |
| 040119 | 15.3847 | 15.5338 | 16.9407 | 15.9572 |
| 040124 | 17.2547 | 19.1349 | 19.2889 | 18.5723 |
| 040126 | 11.6845 | 12.5368 | 11.6517 | 11.9404 |
| 040132 | 13.1760 | 17.5179 | 10.3875 | 13.4483 |
| 040134 | * | 18.0787 | 19.0185 | 18.5701 |
| 040135 | * | 22.6761 | 23.0084 | 22.8797 |
| 050002 | 27.6006 | 37.8295 | 36.9630 | 33.5586 |
| 050006 | 19.5272 | 19.5594 | 18.2061 | 19.0382 |
| 050007 | 29.5398 | 30.7126 | 30.8676 | 30.4910 |
| 050008 | 25.8570 | 26.2458 | 26.3682 | 26.1654 |
| 050009 | 26.2506 | 26.8159 | 28.4734 | 27.2303 |
| 050013 | 24.8541 | 23.2201 | 28.0569 | 25.1985 |
| 050014 | 24.5302 | 22.8478 | 23.6745 | 23.6450 |
| 050015 | 25.3838 | 26.2481 | 27.7731 | 26.4938 |
| 050016 | 20.1542 | 20.5566 | 21.2045 | 20.6377 |
| 050017 | 23.6639 | 23.9625 | 25.6178 | 24.4113 |
| 050018 | 14.6622 | 15.4721 | 15.2903 | 15.1444 |
| 050021 | 28.5003 | 25.8966 | * | 27.2682 |
| 050022 | 22.9583 | 24.0318 | 24.5254 | 23.8802 |
| 050024 | 20.3427 | 21.3989 | 22.4274 | 21.4070 |
| 050025 | 21.9952 | 23.3896 | 24.8245 | 23.3764 |
| 050026 | 28.6850 | 27.8736 | 23.1904 | 26.4206 |
| 050028 | 16.4531 | 16.4671 | 17.6138 | 16.8496 |
| 050029 | 23.2911 | 25.1259 | 24.6839 | 24.3441 |
| 050030 | 21.0096 | 20.9812 | 21.5621 | 21.1955 |
| 050032 | 22.5868 | 25.2010 | 24.3598 | 24.0616 |
| 050033 | 24.5609 | 24.9328 | 32.0179 | 27.2378 |
| 050036 | 20.4703 | 21.2420 | 21.8239 | 21.1856 |
| 050038 | 27.8274 | 28.6528 | 29.9698 | 28.8293 |
| 050039 | 22.2524 | 22.7117 | 22.8288 | 22.6033 |
| 050040 | 30.6664 | 32.1287 | 30.2607 | 31.0150 |
| 050042 | 22.2343 | 24.8067 | 24.5260 | 23.8317 |
| 050043 | 33.2286 | 32.9958 | 33.8255 | 33.3456 |
| 050045 | 20.7307 | 19.8831 | 21.1474 | 20.5973 |
| 050046 | 31.3831 | 25.3185 | 25.2005 | 27.4555 |
| 050047 | 29.4412 | 29.9255 | 29.9580 | 29.7840 |
| 050051 | 17.8401 | 17.8945 | 18.7809 | 18.1179 |
| 050054 | 19.3686 | 20.7212 | 22.0982 | 20.7075 |
| 050055 | 29.0872 | 29.3984 | 29.2730 | 29.2593 |
| 050056 | 23.8507 | 27.4321 | 23.8396 | 24.9757 |
| 050057 | 21.7581 | 21.1554 | 20.7420 | 21.1969 |
| 050058 | 25.7261 | 23.1641 | 23.3009 | 23.9601 |
| 050060 | 20.9219 | 20.7747 | 20.5450 | 20.7207 |
| 050061 | 23.7443 | 23.5454 | 24.5488 | 23.9503 |
| 050063 | 23.0724 | 24.8851 | 25.7593 | 24.5061 |
| 050065 | 21.1848 | 24.0420 | 24.6290 | 23.1479 |
| 050066 | 21.4187 | 16.5725 | 16.1649 | 17.6784 |
| 050067 | 21.3029 | 23.1966 | 25.8857 | 23.3989 |
| 050068 | 28.4804 | 20.6851 | 19.3615 | 22.4409 |
| 050069 | 29.2980 | 25.9420 | 24.6153 | 26.4351 |
| 050070 | 32.5964 | 32.5166 | 34.0721 | 33.0817 |
| 050071 | 33.1379 | 33.1850 | 34.4367 | 33.6139 |
| 050072 | 32.9660 | 33.2858 | 39.7321 | 35.2928 |
| 050073 | 34.6111 | 33.3922 | 32.8555 | 33.5664 |
| 050075 | 33.5246 | 33.9095 | 33.7160 | 33.7090 |
| 050076 | 33.8835 | 27.7797 | 33.9752 | 31.7128 |
| 050077 | 23.2986 | 24.1019 | 24.1404 | 23.8541 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050078 | 22.8023 | 23.0736 | 24.3150 | 23.3638 |
| 050079 | 34.4253 | 33.2432 | 30.0167 | 32.3461 |
| 050082 | 21.7004 | 22.1009 | 23.7617 | 22.5498 |
| 050084 | 23.0966 | 23.5866 | 25.4517 | 24.0054 |
| 050088 | 24.0634 | 20.8406 | 24.9641 | 23.1779 |
| 050089 | 20.0194 | 20.9117 | 22.8450 | 21.2533 |
| 050090 | 23.8969 | 23.4097 | 24.6070 | 23.9625 |
| 050091 | 22.2220 | 25.2792 | 23.7713 | 23.6457 |
| 050092 | 15.3841 | 16.7969 | 17.1211 | 16.4241 |
| 050093 | 24.0837 | 25.2130 | 25.6647 | 24.9860 |
| 050095 | 33.3761 | 33.6718 | 30.4847 | 32.6392 |
| 050096 | 21.6752 | 20.0487 | 22.7394 | 21.3870 |
| 050097 | 22.6147 | 16.7054 | 22.5991 | 20.1968 |
| 050099 | 24.2921 | 24.8091 | 25.3722 | 24.8349 |
| 050100 | 30.0552 | 29.8758 | 25.2031 | 28.1754 |
| 050101 | 30.0132 | 31.0264 | 31.8957 | 30.9871 |
| 050102 | 21.2947 | 22.2937 | 24.0014 | 22.4745 |
| 050103 | 25.3384 | 24.7932 | 25.4133 | 25.1832 |
| 050104 | 25.4407 | 25.5797 | 26.9726 | 25.9841 |
| 050107 | 21.7649 | 21.2690 | 22.2019 | 21.7497 |
| 050108 | 25.2116 | 23.5564 | 25.1758 | 24.5678 |
| 050109 | 26.4768 | * | * | 26.4768 |
| 050110 | 20.1769 | 20.1870 | 19.9589 | 20.1175 |
| 050111 | 21.7397 | 21.5487 | 20.7897 | 21.3840 |
| 050112 | 26.2922 | 25.3015 | 26.8182 | 26.1335 |
| 050113 | 27.7805 | 28.8420 | 28.5224 | 28.4025 |
| 050114 | 25.9073 | 24.7286 | 26.6757 | 25.7599 |
| 050115 | 21.0499 | 21.3291 | 23.0182 | 21.8124 |
| 050116 | 25.5919 | 25.2130 | 24.9196 | 25.2412 |
| 050117 | 20.4379 | 23.3612 | 22.2123 | 21.9903 |
| 050118 | 23.9976 | 23.7698 | 23.7129 | 23.8243 |
| 050121 | 18.8818 | 19.5252 | 18.7272 | 19.0416 |
| 050122 | * | 26.3172 | 26.9546 | 26.6358 |
| 050124 | 23.0193 | 22.7736 | 24.5069 | 23.3667 |
| 050125 | 24.0434 | 29.6147 | 32.0230 | 28.3742 |
| 050126 | 23.8424 | 23.9247 | 24.6752 | 24.1448 |
| 050127 | 19.7654 | 22.1937 | 20.9027 | 20.9520 |
| 050128 | 24.1801 | 25.7240 | 26.6132 | 25.5185 |
| 050129 | 27.1586 | 26.5030 | 24.0108 | 25.7227 |
| 050131 | 29.0570 | 31.0732 | 32.5462 | 30.8106 |
| 050132 | 22.9139 | 24.0834 | 24.0173 | 23.6527 |
| 050133 | 24.4011 | 24.9746 | 23.2093 | 24.1354 |
| 050135 | 27.0341 | 23.2361 | 24.7157 | 24.9796 |
| 050136 | 24.4336 | 24.7921 | 24.7280 | 24.6450 |
| 050137 | 30.0725 | 32.6507 | 32.9192 | 31.8970 |
| 050138 | 37.4088 | 37.3286 | 38.1584 | 37.6483 |
| 050139 | 31.3785 | 32.9351 | 31.4984 | 31.9286 |
| 050140 | 33.6644 | 34.1499 | 32.7609 | 33.4990 |
| 050144 | 25.7483 | 27.8751 | 27.4069 | 26.9409 |
| 050145 | 33.0620 | 32.3857 | 34.5185 | 33.3152 |
| 050148 | 21.0584 | 21.9211 | 20.0971 | 20.9748 |
| 050149 | 23.3754 | 24.6078 | 26.8674 | 24.8666 |
| 050150 | 23.4777 | 24.9073 | 24.6596 | 24.3771 |
| 050152 | 27.7504 | 34.0766 | 33.3305 | 31.5833 |
| 050153 | 29.5915 | 30.5714 | 32.3389 | 30.8441 |
| 050155 | 22.9420 | 21.0257 | 25.3354 | 22.9852 |
| 050158 | 27.9789 | 27.5623 | 28.6071 | 28.0313 |
| 050159 | 25.2105 | 23.2912 | 22.5313 | 23.6099 |
| 050167 | 21.6778 | 21.9128 | 21.8796 | 21.8226 |
| 050168 | 25.2504 | 23.3511 | 25.1937 | 24.5830 |
| 050169 | 24.6361 | 22.3888 | 24.8407 | 23.8796 |
| 050170 | 22.1989 | 23.9574 | 24.3654 | 23.4164 |
| 050172 | 17.6976 | 20.1841 | 19.6120 | 19.1630 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050173 | 23.3255 | 24.5545 | 24.8694 | 24.1923 |
| 050174 | 31.2136 | 30.2140 | 30.2775 | 30.5443 |
| 050175 | 27.7875 | 27.2806 | 24.7548 | 26.2477 |
| 050177 | 20.2485 | 21.7943 | 21.1396 | 21.0728 |
| 050179 | 19.2861 | 21.7175 | 23.8868 | 21.4573 |
| 050180 | 32.1883 | 31.8947 | 33.3257 | 32.5107 |
| 050183 | 19.9765 | 20.3638 | * | 20.1665 |
| 050186 | 21.9062 | 22.4155 | 23.6288 | 22.6119 |
| 050188 | 27.4364 | 28.0918 | 28.2364 | 27.9460 |
| 050189 | 23.2415 | 22.8687 | 27.4071 | 24.6245 |
| 050191 | 26.7297 | 20.8321 | 25.3516 | 24.1885 |
| 050192 | 17.8095 | 18.6701 | 14.1996 | 16.5873 |
| 050193 | 23.7260 | 22.6316 | 24.9444 | 23.7567 |
| 050194 | 28.2701 | 29.7371 | 29.5678 | 29.1714 |
| 050195 | 34.7789 | 35.5621 | 36.9068 | 35.7823 |
| 050196 | 16.6866 | 18.5180 | 18.2411 | 17.8430 |
| 050197 | 31.4513 | 35.7449 | 32.4030 | 33.0882 |
| 050204 | 24.3944 | 23.6105 | 22.7099 | 23.5849 |
| 050205 | 21.1545 | 23.6831 | 24.1691 | 23.0778 |
| 050207 | 20.8576 | 21.6214 | 22.9941 | 21.8243 |
| 050211 | 31.2175 | 31.6084 | 31.7280 | 31.5153 |
| 050213 | 20.7338 | 21.4806 | 21.4951 | 21.1847 |
| 050214 | 20.8704 | 21.7335 | 24.0276 | 22.1888 |
| 050215 | 28.4058 | 29.8563 | 35.0459 | 31.0290 |
| 050217 | 19.8913 | 19.6010 | 20.2042 | 19.9076 |
| 050219 | 25.4730 | 21.7444 | 21.2458 | 22.6404 |
| 050222 | 27.0713 | 27.4809 | 23.3563 | 25.7959 |
| 050224 | 23.7942 | 23.5316 | 23.5101 | 23.6043 |
| 050225 | 20.7978 | 23.3480 | 21.6820 | 21.9144 |
| 050226 | 26.9297 | 27.7315 | 24.4443 | 26.2380 |
| 050228 | 30.3772 | 34.0711 | 34.2596 | 32.7722 |
| 050230 | 25.3640 | 27.7357 | 26.6291 | 26.5638 |
| 050231 | 25.5798 | 26.1508 | 26.7321 | 26.1759 |
| 050232 | 23.3849 | 24.3072 | 24.5245 | 24.0793 |
| 050233 | 31.3954 | * | * | 31.3954 |
| 050234 | 28.5188 | 25.7035 | 24.6126 | 26.2702 |
| 050235 | 25.8595 | 25.2527 | 27.0922 | 26.0726 |
| 050236 | 26.2723 | 26.9803 | 25.9458 | 26.4027 |
| 050238 | 24.0043 | 24.2922 | 24.5823 | 24.2994 |
| 050239 | 20.4071 | 22.6625 | 23.2711 | 22.0940 |
| 050240 | 25.2540 | 26.3657 | 26.7620 | 26.0528 |
| 050241 | 27.2198 | 26.3740 | 29.8345 | 27.7426 |
| 050242 | 30.1432 | 31.1576 | 32.0829 | 31.1145 |
| 050243 | 22.9123 | 28.9635 | 26.4627 | 26.1049 |
| 050245 | 24.3969 | 23.8124 | 23.2716 | 23.7873 |
| 050248 | 27.4214 | 26.2015 | 27.6457 | 27.0910 |
| 050251 | 18.4990 | 21.6574 | 23.6360 | 21.1907 |
| 050253 | 20.0658 | 16.0701 | 16.7540 | 17.4281 |
| 050254 | 19.6899 | 19.3126 | 20.1176 | 19.7146 |
| 050256 | 23.5302 | 23.6887 | 23.4835 | 23.5723 |
| 050257 | 19.5923 | 15.2306 | 17.2596 | 17.1813 |
| 050260 | 23.5201 | 23.2421 | 27.4234 | 24.5032 |
| 050261 | 20.4496 | 20.0552 | 20.1040 | 20.2029 |
| 050262 | 29.0054 | 28.8785 | 29.5550 | 29.1532 |
| 050264 | 29.4542 | 32.1312 | 36.0331 | 32.4545 |
| 050267 | 24.7464 | 26.2264 | 26.0401 | 25.6690 |
| 050270 | 23.7260 | 24.0439 | 25.3757 | 24.3521 |
| 050272 | 21.4374 | 22.4247 | 23.0587 | 22.2948 |
| 050274 | 21.1943 | 20.0422 | * | 20.6204 |
| 050276 | 28.5051 | 29.8624 | 33.3302 | 30.5715 |
| 050277 | 22.3125 | 20.0520 | 26.0822 | 22.5131 |
| 050278 | 23.8434 | 24.7787 | 23.9289 | 24.1853 |
| 050279 | 21.0570 | 20.8444 | 21.8949 | 21.2309 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050280 | 24.4267 | 25.2149 | 25.6651 | 25.1337 |
| 050281 | 18.5907 | 19.6888 | 24.2251 | 20.7934 |
| 050282 | 24.4593 | 28.8261 | 25.4428 | 26.2214 |
| 050283 | 27.8763 | 29.7734 | 31.7669 | 30.1598 |
| 050286 | 17.8045 | 16.5708 | 19.4241 | 17.6805 |
| 050289 | 26.7185 | 34.1393 | 30.4750 | 30.2632 |
| 050290 | 26.3745 | 28.6231 | 29.6796 | 28.2631 |
| 050291 | 26.4908 | 30.2748 | 29.4029 | 28.6899 |
| 050292 | 22.4878 | 21.6243 | 20.8410 | 21.6183 |
| 050293 | 19.1761 | 22.2963 | 24.1875 | 21.4642 |
| 050295 | 20.7393 | 21.2892 | 21.7883 | 21.2665 |
| 050296 | 25.3166 | 27.2948 | 28.3906 | 27.0098 |
| 050298 | 20.5181 | 24.4477 | 23.2006 | 22.6781 |
| 050299 | 25.7697 | 26.4543 | 25.5035 | 25.9187 |
| 050300 | 22.7423 | 23.5116 | 25.9228 | 24.1102 |
| 050301 | 26.0355 | 22.5201 | 21.1403 | 23.0323 |
| 050302 | 29.2007 | * | * | 29.2007 |
| 050305 | 32.7082 | 34.5185 | 36.7908 | 34.7340 |
| 050307 | 27.9830 | 17.2147 | * | 21.7503 |
| 050308 | 28.4019 | 29.3803 | 28.9284 | 28.9113 |
| 050309 | 24.4034 | 23.7884 | 25.3515 | 24.5133 |
| 050310 | 20.6181 | * | * | 20.6181 |
| 050312 | 23.7936 | 26.7617 | 26.0015 | 25.5439 |
| 050313 | 23.1009 | 21.7577 | 25.6827 | 23.5594 |
| 050315 | 21.9227 | 24.7086 | 22.7359 | 23.0264 |
| 050317 | 19.4479 | 21.6937 | * | 20.5789 |
| 050320 | 30.6054 | 30.4101 | 32.4809 | 31.1252 |
| 050324 | 26.2735 | 26.6049 | 25.3694 | 26.0738 |
| 050325 | 23.2355 | 24.4862 | 23.6327 | 23.7872 |
| 050327 | 22.8511 | 23.9484 | 25.6450 | 24.1469 |
| 050328 | 23.1889 | * | * | 23.1889 |
| 050329 | 21.4125 | 19.7455 | 21.6984 | 20.9322 |
| 050331 | 25.5252 | 22.2536 | 25.0230 | 24.1261 |
| 050333 | 20.1468 | 19.4589 | 19.1449 | 19.5671 |
| 050334 | 32.0169 | 34.2330 | 34.2557 | 33.5307 |
| 050335 | 20.2013 | 23.0258 | 22.9926 | 22.0827 |
| 050336 | 20.0980 | 20.7979 | 21.3402 | 20.7523 |
| 050342 | 19.3524 | 20.1841 | 20.8255 | 20.1210 |
| 050343 | 17.3394 | 17.2085 | * | 17.2799 |
| 050348 | 20.7505 | 23.8779 | 25.1085 | 23.3219 |
| 050349 | 15.0515 | 14.9754 | 15.0667 | 15.0310 |
| 050350 | 25.0676 | 24.8340 | 26.4161 | 25.4163 |
| 050351 | 24.6936 | 25.4791 | 24.8121 | 24.9948 |
| 050352 | 23.5927 | 26.1380 | 26.4262 | 25.4187 |
| 050353 | 23.2468 | 23.0564 | 23.2699 | 23.1944 |
| 050355 | 17.1597 | 17.2778 | 21.0969 | 18.0157 |
| 050357 | 23.6411 | 22.6545 | 24.5345 | 23.6386 |
| 050359 | 20.4005 | 17.7907 | 21.7548 | 19.8316 |
| 050360 | 31.7608 | 31.3526 | 31.7583 | 31.6236 |
| 050366 | 21.3442 | 23.7528 | 19.6823 | 21.4770 |
| 050367 | 29.4763 | 28.2805 | 30.7328 | 29.5063 |
| 050369 | 24.2604 | 27.0548 | 26.2234 | 25.8174 |
| 050373 | 26.6548 | 26.9776 | 27.8275 | 27.1333 |
| 050376 | 25.3036 | 26.5840 | 28.0990 | 26.5882 |
| 050377 | 25.6401 | 17.1764 | 17.0012 | 20.1035 |
| 050378 | 22.2363 | 25.9810 | 26.9101 | 24.8709 |
| 050379 | 15.4994 | 15.2022 | 18.4278 | 16.2767 |
| 050380 | 30.5790 | 31.4343 | 31.9578 | 31.3600 |
| 050382 | 26.1465 | 26.1398 | 25.9244 | 26.0725 |
| 050385 | 25.9188 | 24.6083 | * | 25.2398 |
| 050388 | 13.7863 | 19.1512 | 22.0122 | 17.5709 |
| 050390 | 22.5668 | 25.0426 | 24.2700 | 23.9349 |
| 050391 | 22.4881 | 18.9266 | 20.0615 | 20.3952 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050392 | 21.9324 | 21.6729 | 22.9430 | 22.1487 |
| 050393 | 23.1387 | 25.6964 | 24.1981 | 24.3082 |
| 050394 | 22.2424 | 23.0604 | 23.1526 | 22.8333 |
| 050396 | 23.6322 | 24.0636 | 25.3729 | 24.3512 |
| 050397 | 20.7698 | 20.2601 | 20.6397 | 20.5453 |
| 050401 | 17.7807 | 20.7473 | 18.4593 | 18.9557 |
| 050404 | 19.2754 | 17.3396 | 15.9839 | 17.4356 |
| 050406 | 16.8931 | 17.3016 | 17.8596 | 17.3407 |
| 050407 | 30.1222 | 29.9642 | 30.8346 | 30.2996 |
| 050410 | 16.4735 | 17.6769 | 19.8508 | 17.8663 |
| 050411 | 32.2364 | 34.8899 | 33.1943 | 33.4145 |
| 050414 | 24.4243 | 24.2060 | 25.9723 | 24.9224 |
| 050417 | 21.8884 | 21.5739 | 23.3005 | 22.2456 |
| 050419 | 23.1162 | 23.7584 | 23.4936 | 23.4646 |
| 050420 | 22.6819 | 22.3166 | 23.5438 | 22.8448 |
| 050423 | 23.3296 | 17.3771 | 21.3552 | 20.6272 |
| 050424 | 23.7788 | 22.8350 | 24.0727 | 23.5641 |
| 050425 | 33.6911 | 32.8364 | 35.3712 | 34.0224 |
| 050426 | 23.7082 | 25.2453 | 29.0120 | 25.8759 |
| 050427 | 20.0698 | 20.1674 | 16.4330 | 18.6499 |
| 050430 | 21.3428 | 23.8788 | 21.2275 | 22.2136 |
| 050432 | 21.4984 | 24.4133 | 24.5630 | 23.4427 |
| 050433 | 16.8035 | 17.4643 | 18.9021 | 17.7004 |
| 050434 | 15.6348 | 19.7591 | * | 17.6624 |
| 050435 | 32.9865 | 25.6676 | 23.3426 | 26.8858 |
| 050436 | 16.3594 | 14.8121 | * | 15.5729 |
| 050438 | 24.0828 | 25.0138 | 23.2583 | 24.1266 |
| 050440 | 21.1100 | 23.5167 | 22.5400 | 22.3553 |
| 050441 | 28.7067 | 28.9804 | 31.8774 | 29.8169 |
| 050443 | 16.4308 | 19.9020 | 17.2875 | 17.7906 |
| 050444 | 24.6741 | 21.4533 | 22.4530 | 22.8550 |
| 050446 | 20.5383 | 20.4908 | 22.3422 | 21.1378 |
| 050447 | 18.4183 | 17.9751 | 18.9851 | 18.4558 |
| 050448 | 20.0757 | 19.7046 | 21.7718 | 20.5035 |
| 050449 | 22.1784 | 23.8001 | 23.4614 | 23.1469 |
| 050454 | 28.6857 | 28.7432 | 30.0792 | 29.2410 |
| 050455 | 19.9209 | 20.1643 | 19.8577 | 19.9840 |
| 050456 | 17.6229 | 20.1254 | 18.1585 | 18.5890 |
| 050457 | 31.2489 | 34.4949 | 32.1910 | 32.6376 |
| 050459 | 37.0914 | * | * | 37.0914 |
| 050464 | 22.3142 | 25.3292 | 25.7710 | 24.4665 |
| 050468 | 23.1701 | 23.3050 | 22.2926 | 22.8998 |
| 050469 | 23.4404 | 23.8759 | 24.5205 | 23.8915 |
| 050470 | 17.0353 | 16.0292 | 16.0805 | 16.3264 |
| 050471 | 24.2887 | 25.6172 | 27.1597 | 25.6415 |
| 050476 | 23.1428 | 22.4754 | 24.0253 | 23.2552 |
| 050477 | 27.7855 | 27.9595 | 27.5819 | 27.7866 |
| 050478 | 23.0530 | 24.5401 | 26.3306 | 24.6133 |
| 050481 | 26.8293 | 28.9722 | 27.7973 | 27.8692 |
| 050482 | 16.9268 | 18.1217 | 16.0114 | 17.0134 |
| 050483 | 21.6038 | 22.7182 | * | 22.1632 |
| 050485 | 23.1933 | 24.1983 | 24.6906 | 24.0174 |
| 050486 | 24.4967 | * | * | 24.4967 |
| 050488 | 32.8620 | 34.6939 | 31.7481 | 33.0979 |
| 050491 | 25.1011 | 26.8703 | 27.4600 | 26.4606 |
| 050492 | 21.4156 | 19.5457 | 20.5030 | 20.4277 |
| 050494 | 25.4078 | 29.2621 | 29.1296 | 27.9125 |
| 050496 | 33.0168 | 32.5168 | 34.9704 | 33.4862 |
| 050497 | * | 13.8110 | 15.4115 | 14.5264 |
| 050498 | 24.8445 | 24.9677 | 26.1716 | 25.3085 |
| 050502 | 22.6253 | 22.3788 | 25.3701 | 23.4214 |
| 050503 | 23.5911 | 24.4069 | 23.3745 | 23.7879 |
| 050506 | 21.2165 | 25.0845 | 25.0333 | 23.8164 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050510 | 33.4617 | 33.3774 | 33.7481 | 33.5309 |
| 050512 | 34.3138 | 35.3581 | 34.4368 | 34.6837 |
| 050515 | 35.0412 | 35.3419 | 33.7321 | 34.6571 |
| 050516 | 25.1850 | 24.7992 | 26.1969 | 25.4171 |
| 050517 | 20.3733 | 20.9550 | 22.0985 | 21.1081 |
| 050522 | 31.7326 | 35.3784 | 36.2127 | 34.2256 |
| 050523 | 28.4235 | 27.0544 | 31.2522 | 28.8864 |
| 050526 | 26.9206 | 23.8099 | 26.4014 | 25.6096 |
| 050528 | 18.6898 | 19.0611 | 18.9155 | 18.8867 |
| 050531 | 20.7332 | 22.7308 | 21.3948 | 21.6689 |
| 050534 | 23.3026 | 24.0700 | 24.0001 | 23.7954 |
| 050535 | 24.2257 | 25.4215 | 26.8511 | 25.4120 |
| 050537 | 22.2073 | 22.2256 | 24.0354 | 22.8159 |
| 050539 | 23.2501 | 20.7129 | 23.3846 | 22.4405 |
| 050541 | 34.6195 | 34.4573 | 36.6149 | 35.2691 |
| 050542 | 17.8537 | 16.0892 | 17.7737 | 17.2018 |
| 050543 | 23.0437 | 22.3994 | 21.6795 | 22.3610 |
| 050545 | 27.5713 | 26.3304 | 31.7280 | 27.9472 |
| 050546 | 27.7557 | 26.1949 | 38.8087 | 28.7303 |
| 050547 | 27.0845 | 26.8305 | 37.7681 | 28.7499 |
| 050548 | 26.5922 | 28.8083 | 29.8516 | 28.2370 |
| 050549 | 27.9098 | 27.2765 | 28.9615 | 28.0769 |
| 050550 | 25.7546 | 24.8048 | 25.6588 | 25.4034 |
| 050551 | 24.0488 | 25.4652 | 24.8084 | 24.7966 |
| 050552 | 22.8731 | 21.5216 | 20.3239 | 21.6775 |
| 050557 | 22.1385 | 21.1243 | 22.2562 | 21.8314 |
| 050559 | 24.6689 | 23.5759 | 24.7866 | 24.3485 |
| 050561 | 33.9268 | 34.5791 | 33.4423 | 33.9701 |
| 050564 | 24.5099 | 23.5922 | 24.2091 | 24.0891 |
| 050565 | 22.8785 | 23.7829 | 20.8349 | 22.3644 |
| 050566 | 18.3297 | 17.4423 | 22.3448 | 19.2949 |
| 050567 | 24.2349 | 24.6454 | 25.0787 | 24.6746 |
| 050568 | 20.5205 | 19.5816 | 20.5376 | 20.2025 |
| 050569 | 24.9453 | 26.5479 | 27.3429 | 26.2484 |
| 050570 | 24.4961 | 25.2294 | 25.8619 | 25.1838 |
| 050571 | 24.3741 | 26.2039 | 24.0154 | 24.8290 |
| 050573 | 25.1398 | 24.9644 | 25.6589 | 25.2612 |
| 050575 | * | 19.5611 | 20.7090 | 20.0979 |
| 050577 | 20.5177 | 25.1549 | 23.5487 | 22.9797 |
| 050578 | 28.9073 | 28.5379 | 28.9009 | 28.7846 |
| 050579 | 30.0694 | 30.4952 | 29.9348 | 30.1803 |
| 050580 | 23.9183 | 25.9004 | 24.6962 | 24.8350 |
| 050581 | 23.5660 | 23.8584 | 24.9807 | 24.1454 |
| 050583 | 23.3609 | 24.3987 | 25.8800 | 24.5448 |
| 050584 | 23.1610 | 21.2366 | 19.5805 | 21.2667 |
| 050585 | 26.4985 | 25.9426 | 24.2824 | 25.5872 |
| 050586 | 23.8402 | 23.4079 | 23.1850 | 23.4570 |
| 050588 | 30.3873 | 25.3094 | 24.5472 | 26.4705 |
| 050589 | 24.3453 | 24.8698 | 23.8880 | 24.3389 |
| 050590 | * | 22.4480 | 24.4797 | 23.4541 |
| 050591 | 22.3224 | 23.9412 | 25.0209 | 23.7207 |
| 050592 | 26.0528 | 21.1745 | 22.1174 | 23.0414 |
| 050594 | 22.7826 | 27.1584 | 27.7002 | 25.6455 |
| 050597 | 23.1789 | 22.8523 | 23.3280 | 23.1176 |
| 050598 | 28.1062 | 24.3597 | 23.9202 | 25.2869 |
| 050599 | 26.3191 | 29.1221 | 26.0892 | 27.1846 |
| 050601 | 32.8704 | 31.8670 | 29.7417 | 31.4201 |
| 050603 | 22.7500 | 23.3390 | 21.7031 | 22.5608 |
| 050604 | 33.3239 | 34.0461 | 35.4034 | 34.3023 |
| 050607 | 24.1052 | * | * | 24.1052 |
| 050608 | 16.1529 | 18.0947 | 18.1664 | 17.4208 |
| 050609 | 31.9340 | 34.9935 | 33.5028 | 33.4973 |
| 050613 | 23.4779 | 23.3835 | 30.2413 | 25.4419 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 050615 | 23.7015 | 23.8815 | 27.5682 | 24.9089 |
| 050616 | 22.7960 | 22.7437 | 24.9843 | 23.5101 |
| 050618 | 21.7032 | 21.6509 | 21.4895 | 21.6219 |
| 050623 | 30.3208 | 29.1806 | 27.5832 | 29.0384 |
| 050624 | 22.3419 | 22.7148 | 26.4659 | 23.7251 |
| 050625 | 24.3503 | 26.4849 | 27.5816 | 26.1377 |
| 050630 | 24.0961 | 23.9159 | 24.2120 | 24.0782 |
| 050633 | 21.9790 | 23.1918 | 25.4283 | 23.5401 |
| 050635 | 37.8481 | * | * | 37.8481 |
| 050636 | 20.8349 | 21.2618 | 23.5257 | 21.8335 |
| 050638 | 23.6341 | 18.2859 | 18.2159 | 19.5807 |
| 050641 | 21.3605 | 21.8315 | 17.1258 | 19.7042 |
| 050644 | 23.1229 | 22.3456 | 22.1489 | 22.5048 |
| 050661 | 20.4769 | 19.6780 | * | 20.1699 |
| 050662 | 28.2910 | 26.9606 | 35.0989 | 28.9225 |
| 050663 | 23.7097 | 30.6591 | 24.9110 | 25.8492 |
| 050667 | 24.1064 | 24.9979 | 27.5045 | 25.1663 |
| 050668 | 39.9001 | 42.0974 | 61.7751 | 44.9671 |
| 050670 | 21.8750 | 20.0152 | 24.6101 | 21.9523 |
| 050674 | 36.2361 | 34.7380 | 32.4807 | 34.3308 |
| 050675 | 15.8423 | 15.6794 | * | 15.7602 |
| 050676 | 17.5302 | 18.6672 | 20.2087 | 18.7455 |
| 050677 | 33.7056 | 35.6503 | 33.6070 | 34.3198 |
| 050678 | 22.6591 | 26.8741 | 22.7756 | 23.9129 |
| 050680 | 27.3188 | 28.0584 | 31.4839 | 28.9200 |
| 050682 | 17.9715 | 26.2882 | 17.3566 | 19.6443 |
| 050684 | 21.8067 | 22.3398 | 23.3697 | 22.4849 |
| 050685 | 32.1330 | 31.1725 | 35.1307 | 32.7762 |
| 050686 | 33.2515 | 35.2631 | 33.4420 | 33.9679 |
| 050688 | 29.9990 | 30.6635 | 31.0648 | 30.5922 |
| 050689 | 34.1851 | 30.7295 | 30.9399 | 31.8127 |
| 050690 | 33.8277 | 32.8204 | 34.8112 | 33.8469 |
| 050693 | 33.2977 | 26.8265 | 25.5662 | 28.3155 |
| 050694 | 22.5719 | 23.2293 | 23.5572 | 23.1120 |
| 050695 | 23.5215 | 21.1377 | 24.4301 | 23.0784 |
| 050696 | 26.4103 | 28.0015 | 28.3291 | 27.6235 |
| 050697 | 21.4716 | 21.1566 | 18.2338 | 20.1433 |
| 050699 | 28.4754 | 25.7843 | 17.5296 | 23.1610 |
| 050700 | 28.4522 | * | * | 28.4522 |
| 050701 | 27.6190 | 22.6959 | 24.3055 | 24.7548 |
| 050702 | 12.2518 | * | * | 12.2518 |
| 050704 | 20.7568 | 22.8716 | 22.7618 | 22.3025 |
| 050707 | 27.5065 | 26.2732 | 27.8958 | 27.2979 |
| 050708 | 21.9149 | 22.7821 | 24.8647 | 23.2324 |
| 050709 | 19.4255 | 21.9598 | 19.4977 | 20.2535 |
| 050710 | 26.8095 | 26.9060 | 27.5828 | 27.1479 |
| 050713 | 15.3027 | 17.7259 | 16.8538 | 16.6077 |
| 050714 | * | 28.9314 | 30.1925 | 29.4900 |
| 050715 | 19.1151 | * | * | 19.1151 |
| 050717 | * | 25.9534 | 28.7973 | 27.3346 |
| 050718 | * | 17.6062 | 18.0940 | 17.8064 |
| 050719 | * | 25.5508 | 23.0833 | 23.8495 |
| 050720 | * | * | 25.8677 | 25.8677 |
| 060001 | 20.5908 | 21.3659 | 21.1819 | 21.0411 |
| 060003 | 19.3243 | 19.8023 | 20.4682 | 19.8685 |
| 060004 | 21.7899 | 22.8750 | 21.4496 | 22.0469 |
| 060006 | 17.8613 | 19.3651 | 20.0213 | 19.0568 |
| 060007 | 16.3833 | 17.4682 | 18.2977 | 17.3945 |
| 060008 | 17.0944 | 18.0333 | 18.4590 | 17.8646 |
| 060009 | 21.1795 | 21.4312 | 22.7164 | 21.8027 |
| 060010 | 22.7241 | 24.0872 | 23.6827 | 23.5135 |
| 060011 | 21.9727 | 23.4366 | 22.3458 | 22.5831 |
| 060012 | 19.7746 | 20.1442 | 19.4932 | 19.7974 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 060013 | 19.1369 | 22.7346 | 19.1256 | 20.3432 |
| 060014 | 20.5353 | 24.2459 | 24.3210 | 23.0067 |
| 060015 | 23.5675 | 20.9773 | 23.2469 | 22.5866 |
| 060016 | 15.9627 | 16.4707 | 20.2408 | 17.3661 |
| 060018 | 21.8607 | 20.3183 | 21.5083 | 21.2146 |
| 060020 | 17.7250 | 18.3099 | 18.8985 | 18.3187 |
| 060022 | 19.6488 | 21.0558 | 21.0830 | 20.6200 |
| 060023 | 19.6534 | 19.2373 | 21.5475 | 20.1296 |
| 060024 | 22.8347 | 21.9955 | 22.9185 | 22.5887 |
| 060027 | 21.6731 | 20.9846 | 22.0713 | 21.5836 |
| 060028 | 22.2461 | 23.2065 | 23.1792 | 22.8860 |
| 060029 | 21.4111 | 20.8585 | 18.2938 | 20.0752 |
| 060030 | 20.0345 | 20.5002 | 20.3452 | 20.2923 |
| 060031 | 19.3998 | 21.1649 | 22.5067 | 20.9951 |
| 060032 | 22.3702 | 23.4162 | 22.8123 | 22.8765 |
| 060033 | 13.8165 | 15.9085 | 16.0760 | 15.2591 |
| 060034 | 21.4110 | 22.4791 | 23.2816 | 22.4305 |
| 060036 | 19.2386 | 15.0698 | 18.5988 | 17.4095 |
| 060037 | 14.0458 | 15.5611 | 15.4513 | 15.0213 |
| 060038 | 14.3084 | 14.0791 | 14.3249 | 14.2429 |
| 060041 | 14.8299 | 14.8934 | 19.1263 | 15.9980 |
| 060042 | 20.0815 | 19.1892 | 20.8597 | 19.9134 |
| 060043 | 13.0544 | 13.6717 | 13.4443 | 13.3963 |
| 060044 | 22.5286 | 19.7039 | 20.8673 | 21.1240 |
| 060046 | 20.4359 | 19.4567 | 22.2699 | 20.7384 |
| 060047 | 15.1181 | 15.8770 | 17.1534 | 15.9786 |
| 060049 | 20.6427 | 21.7797 | 23.0613 | 21.7878 |
| 060050 | 16.8012 | 18.2238 | 19.0832 | 18.0606 |
| 060052 | 12.5517 | 13.4210 | 14.8729 | 13.6675 |
| 060053 | 14.9399 | 15.9806 | 18.0232 | 16.2596 |
| 060054 | 19.3943 | 22.8985 | 20.4160 | 20.8278 |
| 060056 | 17.0509 | 18.2831 | 18.1263 | 17.9597 |
| 060057 | 23.3804 | 26.4046 | 25.4185 | 25.1123 |
| 060058 | 16.9064 | 15.4856 | 13.8539 | 15.6088 |
| 060060 | 14.8894 | 15.6469 | 15.6018 | 15.4330 |
| 060062 | 14.9354 | 17.2991 | 16.8640 | 16.3901 |
| 060063 | 15.0896 | * | * | 15.0896 |
| 060064 | 20.9349 | 21.2207 | 22.7797 | 21.6636 |
| 060065 | 24.3032 | 21.6305 | 24.5572 | 23.4210 |
| 060066 | 14.0672 | 16.3485 | 17.2537 | 15.7129 |
| 060068 | 19.6355 | * | * | 19.6355 |
| 060070 | 16.5821 | 17.3184 | 18.8960 | 17.6173 |
| 060071 | 16.9545 | 17.5987 | 17.4068 | 17.3254 |
| 060073 | 15.8385 | 15.7860 | 17.0846 | 16.2338 |
| 060075 | 22.8498 | 24.1550 | 23.8724 | 23.6295 |
| 060076 | 19.2861 | 24.8732 | 20.3265 | 21.3796 |
| 060085 | 13.4761 | 13.6277 | 14.3409 | 13.7955 |
| 060087 | 21.0277 | * | * | 21.0277 |
| 060088 | 16.6753 | 25.2786 | 13.7174 | 17.2655 |
| 060090 | 14.5096 | 22.2974 | 16.3760 | 17.6196 |
| 060096 | 23.1232 | 21.9623 | 20.8937 | 21.9261 |
| 060100 | 21.9983 | 23.5986 | 23.9305 | 23.4279 |
| 060103 | 22.3414 | 24.8151 | 23.5083 | 23.4950 |
| 060104 | 22.3008 | 22.2295 | 21.1820 | 21.8472 |
| 060107 | 13.6449 | 14.2698 | 21.9221 | 15.1674 |
| 070001 | 26.5150 | 26.0878 | 26.3596 | 26.3266 |
| 070002 | 25.4570 | 26.2801 | 26.1768 | 25.9680 |
| 070003 | 26.0894 | 25.6949 | 27.5200 | 26.4175 |
| 070004 | 23.2664 | 22.4871 | 24.2567 | 23.3158 |
| 070005 | 25.5739 | 26.6483 | 26.9151 | 26.3676 |
| 070006 | 28.7139 | 27.5674 | 28.6413 | 28.3103 |
| 070007 | 27.1867 | 26.9505 | 26.3313 | 26.8152 |
| 070008 | 26.0269 | 23.0227 | 24.2971 | 24.3585 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 070009 | 23.4686 | 24.6201 | 24.1871 | 24.0886 |
| 070010 | 25.9375 | 26.2354 | 29.2194 | 27.0543 |
| 070011 | 23.9603 | 23.3638 | 23.0883 | 23.4486 |
| 070012 | 25.1022 | 23.0321 | 28.8067 | 25.3536 |
| 070015 | 25.3317 | 23.8240 | 28.1204 | 25.7263 |
| 070016 | 26.3005 | 24.9148 | 24.4633 | 25.2035 |
| 070017 | 24.8038 | 26.2923 | 26.0424 | 25.7039 |
| 070018 | 28.8776 | 28.0689 | 30.6864 | 29.1923 |
| 070019 | 24.7025 | 25.7283 | 24.9249 | 25.1145 |
| 070020 | 23.7227 | 23.9987 | 25.9964 | 24.5532 |
| 070021 | 26.5173 | 25.2978 | 26.3043 | 26.0246 |
| 070022 | 25.0845 | 26.5691 | 26.9111 | 26.1557 |
| 070024 | 25.1491 | 25.2983 | 24.8948 | 25.1081 |
| 070025 | 25.4055 | 25.1315 | 25.4345 | 25.3241 |
| 070026 | 18.7892 | * | * | 18.7892 |
| 070027 | 23.6381 | 23.6412 | 26.8450 | 24.6648 |
| 070028 | 24.6913 | 24.6788 | 25.7492 | 25.0300 |
| 070029 | 22.7507 | 22.0080 | 23.9682 | 22.8885 |
| 070030 | 24.9676 | 28.9117 | 22.1578 | 25.5338 |
| 070031 | 21.6565 | 23.4419 | 24.1198 | 23.0342 |
| 070033 | 28.8099 | 30.4214 | 31.4736 | 30.2068 |
| 070034 | 29.1220 | 28.9200 | 29.4916 | 29.1706 |
| 070035 | 23.0574 | 23.0869 | 24.1423 | 23.4347 |
| 070036 | 28.9463 | 28.8400 | 29.9470 | 29.2263 |
| 070039 | 21.7791 | 22.9032 | 22.3356 | 22.3067 |
| 080001 | 25.2849 | 25.4836 | 24.8833 | 25.2209 |
| 080002 | 15.5984 | 19.6011 | 20.1965 | 18.4286 |
| 080003 | 22.3957 | 22.1856 | 23.1275 | 22.5300 |
| 080004 | 19.7725 | 21.9391 | 22.9706 | 21.5842 |
| 080005 | 14.4289 | * | * | 14.4289 |
| 080006 | 22.2632 | 20.0792 | 22.6671 | 21.6173 |
| 080007 | 20.3833 | 19.6213 | 21.3746 | 20.4985 |
| 090001 | 25.8921 | 21.7526 | 21.5751 | 23.1400 |
| 090002 | 19.6997 | 19.4191 | 21.5726 | 20.1912 |
| 090003 | 28.6092 | 22.1090 | 23.1268 | 24.5792 |
| 090004 | 24.4267 | 24.3367 | 25.5054 | 24.7042 |
| 090005 | 24.8766 | 23.8620 | 26.3074 | 24.9846 |
| 090006 | 20.0816 | 20.8675 | 22.0957 | 21.0167 |
| 090007 | 21.6551 | 22.1973 | 29.2840 | 24.7855 |
| 090008 | 21.5972 | 20.2166 | 25.2708 | 22.3042 |
| 090010 | 15.8676 | 24.1287 | 23.6616 | 20.2595 |
| 090011 | 27.3741 | 27.4781 | 26.6349 | 27.1495 |
| 100001 | 17.6948 | 19.5796 | 20.2157 | 19.1458 |
| 100002 | 21.3243 | 20.7136 | 21.0222 | 21.0141 |
| 100004 | 15.2465 | 14.6283 | 15.4149 | 15.0845 |
| 100006 | 20.6302 | 20.1133 | 21.2293 | 20.6802 |
| 100007 | 21.7217 | 21.7242 | 22.1590 | 21.8790 |
| 100008 | 20.7232 | 20.4980 | 20.8381 | 20.6876 |
| 100009 | 24.2947 | 22.6419 | 22.1741 | 22.9648 |
| 100010 | 21.9101 | 21.9078 | 23.0637 | 22.2904 |
| 100012 | 18.5169 | 19.6177 | 20.4659 | 19.5030 |
| 100014 | 19.8352 | 19.8023 | 19.5770 | 19.7276 |
| 100015 | 18.2394 | 18.4779 | 18.0654 | 18.2696 |
| 100017 | 17.7739 | 19.0608 | 19.8655 | 18.9086 |
| 100018 | 20.8392 | 21.0332 | 21.6388 | 21.1816 |
| 100019 | 19.8134 | 22.6152 | 23.5462 | 21.9719 |
| 100020 | 26.1783 | 21.3848 | 20.7816 | 22.5004 |
| 100022 | 25.8853 | 26.4094 | 26.5695 | 26.2778 |
| 100023 | 21.1068 | 19.9739 | 19.1787 | 20.0604 |
| 100024 | 20.7760 | 21.8791 | 22.1332 | 21.6047 |
| 100025 | 19.1219 | 18.7774 | 19.4529 | 19.1169 |
| 100026 | 20.7591 | 20.5641 | 20.9461 | 20.7639 |
| 100027 | 12.9410 | 19.1481 | 14.7916 | 15.3484 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 100028 | 19.7491 | 19.3757 | 19.3371 | 19.4791 |
| 100029 | 19.1768 | 20.8745 | 20.8950 | 20.2753 |
| 100030 | 18.8229 | 22.8204 | 20.5952 | 20.6758 |
| 100032 | 19.3165 | 19.8127 | 19.7451 | 19.6185 |
| 100034 | 18.2314 | 17.8743 | 19.5282 | 18.5138 |
| 100035 | 19.5842 | 20.1540 | 23.8117 | 21.2289 |
| 100038 | 24.7851 | 23.3578 | 24.5864 | 24.2183 |
| 100039 | 20.2529 | 21.5297 | 21.7861 | 21.1854 |
| 100040 | 18.6417 | 19.0449 | 18.6321 | 18.7662 |
| 100043 | 17.5215 | 18.7993 | 18.8206 | 18.3605 |
| 100044 | 21.1370 | 21.4764 | 22.7236 | 21.7975 |
| 100045 | 20.7688 | 20.9216 | 21.0228 | 20.9056 |
| 100046 | 21.2094 | 21.6207 | 21.3028 | 21.3728 |
| 100047 | 18.8677 | 20.0114 | 20.6068 | 19.8263 |
| 100048 | 13.5021 | 15.0584 | 15.7790 | 14.8232 |
| 100049 | 18.5598 | 18.8535 | 19.1025 | 18.8421 |
| 100050 | 16.6058 | 17.2377 | 17.9039 | 17.2452 |
| 100051 | 18.8377 | 23.1273 | 17.9453 | 19.6449 |
| 100052 | 16.1855 | 17.9537 | 18.1780 | 17.4312 |
| 100053 | 18.7103 | 20.1724 | 19.6800 | 19.5213 |
| 100054 | 18.1853 | 23.5491 | 21.1518 | 20.9367 |
| 100055 | 17.6226 | 18.0547 | 18.8760 | 18.1971 |
| 100056 | 23.6545 | 25.7863 | 21.8506 | 23.8349 |
| 100057 | 18.7489 | 19.9712 | 19.5319 | 19.4242 |
| 100060 | 22.3904 | 23.2561 | 23.5997 | 23.0802 |
| 100061 | 21.7923 | 22.1133 | 22.9176 | 22.2483 |
| 100062 | 17.9575 | 19.4370 | 21.4424 | 19.6570 |
| 100063 | 16.2324 | 19.2629 | 18.4642 | 17.9066 |
| 100067 | 17.3950 | 18.0877 | 18.4851 | 17.9682 |
| 100068 | 18.6480 | 19.9305 | 19.8308 | 19.4718 |
| 100069 | 16.1393 | 16.8271 | 17.3666 | 16.7757 |
| 100070 | 20.3358 | 18.7408 | 20.0381 | 19.6563 |
| 100071 | 16.4756 | 17.5451 | 17.7234 | 17.2640 |
| 100072 | 19.2223 | 21.0225 | 20.5968 | 20.3580 |
| 100073 | 18.1554 | 21.1898 | 22.2812 | 20.4948 |
| 100075 | 18.0548 | 18.3688 | 19.4480 | 18.6211 |
| 100076 | 16.2469 | 17.8733 | 17.8612 | 17.3644 |
| 100077 | 19.6214 | 22.3438 | 19.0640 | 20.3179 |
| 100078 | 18.2791 | 18.4499 | 19.2891 | 18.6609 |
| 100080 | 21.1603 | 22.1966 | 22.7153 | 22.0462 |
| 100081 | 13.9564 | 14.8313 | 15.4253 | 14.7661 |
| 100082 | 19.8033 | 18.8998 | * | 19.3432 |
| 100084 | 20.4002 | 22.3674 | 22.7009 | 21.8810 |
| 100085 | 21.0802 | 22.1231 | * | 21.5986 |
| 100086 | 21.1625 | 21.6997 | 23.3718 | 22.0734 |
| 100087 | 23.1162 | 23.6090 | 23.6562 | 23.4609 |
| 100088 | 20.0571 | 20.3693 | 20.5566 | 20.3435 |
| 100090 | 17.8768 | 19.1479 | 19.7695 | 18.9939 |
| 100092 | 18.1953 | 17.9216 | 20.1760 | 18.7907 |
| 100093 | 16.6310 | 16.5128 | 16.8422 | 16.6633 |
| 100098 | 19.0319 | 19.2427 | 20.8315 | 19.7124 |
| 100099 | 15.2983 | 15.7823 | 15.7591 | 15.6112 |
| 100102 | 19.3330 | 18.9701 | 19.7673 | 19.3542 |
| 100103 | 18.1019 | 17.2364 | 18.7844 | 18.0201 |
| 100105 | 21.5028 | 21.6604 | 21.8268 | 21.6611 |
| 100106 | 19.3113 | 17.2527 | 17.4958 | 17.9164 |
| 100107 | 18.0142 | 20.1281 | 20.0719 | 19.4041 |
| 100108 | 11.4692 | 19.9593 | 20.1125 | 16.4375 |
| 100109 | 22.1715 | 20.8440 | 20.8370 | 21.2360 |
| 100110 | 19.6439 | 20.8995 | 20.1853 | 20.2509 |
| 100112 | 9.7706 | 25.2570 | 15.2128 | 15.6728 |
| 100113 | 22.2584 | 23.2020 | 21.3489 | 22.1642 |
| 100114 | 23.4501 | 21.6262 | 22.8178 | 22.5825 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 100117 | 18.8619 | 20.7624 | 20.6962 | 20.1889 |
| 100118 | 19.7608 | 22.8702 | 20.7323 | 21.1427 |
| 100121 | 19.3435 | * | 18.5842 | 18.9363 |
| 100122 | 18.0551 | 19.8783 | 19.2643 | 19.0686 |
| 100124 | 19.0527 | 17.0713 | 20.4022 | 18.8192 |
| 100125 | 17.3358 | 18.9535 | 19.6097 | 18.6719 |
| 100126 | 18.0943 | 19.5413 | 19.3103 | 18.9490 |
| 100127 | 19.8727 | 19.9860 | 19.2122 | 19.6859 |
| 100128 | 21.3653 | 20.1536 | 22.8826 | 21.4045 |
| 100129 | 18.5723 | 19.1936 | * | 18.8646 |
| 100130 | 19.1052 | 18.6751 | 20.0947 | 19.3019 |
| 100131 | 22.1680 | 23.4373 | 23.1622 | 22.9338 |
| 100132 | 16.8978 | 18.1167 | 18.7863 | 17.9218 |
| 100134 | 13.4711 | 15.1764 | 15.9733 | 14.8260 |
| 100135 | 17.4785 | 18.8253 | 19.1865 | 18.5050 |
| 100137 | 19.0464 | 18.6955 | 19.5562 | 19.1372 |
| 100138 | 11.0135 | 17.1373 | 14.9539 | 13.7935 |
| 100139 | 15.6444 | 15.6514 | 15.2532 | 15.5227 |
| 100140 | 17.3518 | 17.1389 | 19.0584 | 17.8826 |
| 100142 | 18.6812 | 19.6815 | 18.4113 | 18.9199 |
| 100144 | 15.0197 | 12.2877 | * | 13.4059 |
| 100145 | 19.1143 | * | * | 19.1143 |
| 100146 | 17.8692 | 18.1267 | 21.3359 | 19.1001 |
| 100147 | 14.6751 | 14.6616 | 15.2348 | 14.8665 |
| 100150 | 21.0224 | 21.2807 | 21.5057 | 21.2659 |
| 100151 | 19.3990 | 21.6087 | 23.8489 | 21.6478 |
| 100154 | 19.8485 | 20.0015 | 20.4068 | 20.1020 |
| 100156 | 17.1335 | 19.4980 | 18.4779 | 18.3856 |
| 100157 | 21.0324 | 22.6744 | 22.6195 | 22.1032 |
| 100159 | 16.3778 | 10.2793 | 10.7818 | 11.9429 |
| 100160 | 21.6339 | 20.5581 | 23.3121 | 21.8278 |
| 100161 | 21.5025 | 22.2994 | 22.3053 | 22.0508 |
| 100162 | 19.8748 | 20.1411 | 20.3110 | 20.1117 |
| 100165 | 18.5739 | 19.0388 | 22.6622 | 20.3299 |
| 100166 | 20.4228 | 20.0250 | 21.2309 | 20.5491 |
| 100167 | 21.8138 | 23.4075 | 23.2969 | 22.8605 |
| 100168 | 20.1260 | 20.1994 | 20.3167 | 20.2165 |
| 100169 | 20.7778 | 20.9506 | 20.3017 | 20.6703 |
| 100170 | 15.1167 | 18.5088 | 19.3005 | 17.5325 |
| 100172 | 15.1848 | 14.3446 | 14.8826 | 14.8099 |
| 100173 | 17.3416 | 18.5662 | 17.1337 | 17.6572 |
| 100174 | 20.5125 | 26.1826 | 21.9807 | 22.2819 |
| 100175 | 17.8237 | 18.1692 | 20.5442 | 19.0035 |
| 100176 | 24.6978 | 22.8604 | 24.3089 | 23.9493 |
| 100177 | 22.0034 | 24.4296 | 24.4284 | 23.5639 |
| 100179 | 20.9053 | 22.3015 | 23.0849 | 22.0467 |
| 100180 | 18.4754 | 20.2130 | 21.5388 | 20.0049 |
| 100181 | 24.5704 | 23.0800 | 18.9510 | 21.8206 |
| 100183 | 20.8579 | 24.6121 | 23.0654 | 22.6623 |
| 100187 | 20.6938 | 20.2533 | 20.8535 | 20.6013 |
| 100189 | 21.0102 | 21.3147 | 26.5962 | 23.0255 |
| 100191 | 18.4692 | 19.9879 | 21.0647 | 19.7731 |
| 100199 | 23.3713 | 21.7193 | * | 22.5030 |
| 100200 | 22.2575 | 22.4579 | 23.8729 | 22.8861 |
| 100203 | 18.8628 | * | * | 18.8628 |
| 100204 | 20.2049 | 20.8995 | 20.2193 | 20.4418 |
| 100206 | 20.3511 | 19.5710 | 20.1171 | 20.0138 |
| 100207 | 15.9173 | * | * | 15.9173 |
| 100208 | 20.8337 | 21.2117 | 20.7029 | 20.9220 |
| 100209 | 19.7329 | 22.4577 | 23.3903 | 21.8570 |
| 100210 | 19.1799 | 21.3575 | 21.8545 | 20.7662 |
| 100211 | 25.5277 | 20.6427 | 20.7516 | 21.9172 |
| 100212 | 25.3441 | 21.1187 | 21.1263 | 22.2176 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 100213 | 19.1238 | 20.6558 | 21.1818 | 20.2975 |
| 100217 | 19.8700 | 20.5909 | 22.7335 | 21.0211 |
| 100220 | 19.9121 | 21.2796 | 21.8246 | 20.9627 |
| 100221 | 22.2517 | 17.3965 | 21.2321 | 20.0812 |
| 100222 | 22.1958 | * | * | 22.1958 |
| 100223 | 18.7580 | 20.6302 | 20.2233 | 19.8755 |
| 100224 | 24.7023 | 20.0251 | 21.8628 | 21.8826 |
| 100225 | 20.6404 | 20.6802 | 21.5059 | 20.9335 |
| 100226 | 24.8641 | 20.6858 | 21.8808 | 22.2342 |
| 100228 | 23.6986 | 21.3168 | 20.8810 | 21.8300 |
| 100229 | 18.2070 | 19.6908 | 18.2350 | 18.7682 |
| 100230 | 20.6018 | 20.5051 | 22.5650 | 21.2357 |
| 100231 | 17.4002 | 17.9226 | 18.7526 | 18.0268 |
| 100232 | 17.3171 | 19.3491 | 19.8002 | 18.8267 |
| 100234 | 21.5763 | 20.9104 | 21.6360 | 21.3290 |
| 100235 | 17.6648 | 17.1622 | * | 17.4262 |
| 100236 | 21.8111 | 20.3766 | 20.6942 | 20.8937 |
| 100237 | 22.9344 | 22.0865 | 23.2408 | 22.7368 |
| 100238 | 17.6310 | 19.6367 | 20.8252 | 19.4032 |
| 100239 | 19.7605 | 21.3193 | 19.4481 | 20.1474 |
| 100240 | 17.9339 | 20.4340 | 21.0606 | 19.8014 |
| 100241 | 13.8344 | 14.7224 | 17.1063 | 15.0865 |
| 100242 | 17.1154 | 17.9260 | 18.6938 | 17.9097 |
| 100243 | 20.3838 | 21.2644 | 20.8041 | 20.8228 |
| 100244 | 17.4124 | 18.6227 | 20.5352 | 18.9148 |
| 100246 | 21.2160 | 19.6376 | 21.9247 | 20.8876 |
| 100248 | 21.5399 | 20.7007 | 21.2988 | 21.1681 |
| 100249 | 19.0243 | 19.2808 | 18.1397 | 18.8067 |
| 100252 | 17.8726 | 17.7778 | 19.8079 | 18.4729 |
| 100253 | 20.6014 | 21.3232 | 22.4778 | 21.5023 |
| 100254 | 20.9080 | 19.6598 | 19.5523 | 19.9896 |
| 100255 | 21.0224 | 25.2119 | 21.0284 | 22.2338 |
| 100256 | 23.5640 | 20.9356 | 21.2786 | 21.7690 |
| 100258 | 21.8764 | 21.3501 | 20.0300 | 21.0257 |
| 100259 | 19.8600 | 20.3815 | 21.1160 | 20.4723 |
| 100260 | 21.2224 | 21.0506 | 24.9183 | 22.3504 |
| 100262 | 19.5874 | 20.0433 | 21.0927 | 20.2558 |
| 100263 | 16.9012 | * | * | 16.9012 |
| 100264 | 17.6085 | 19.1556 | 19.9491 | 18.8967 |
| 100265 | 19.8571 | 18.8301 | 18.2291 | 18.8491 |
| 100266 | 17.7319 | 18.2993 | 19.3623 | 18.4763 |
| 100267 | 17.0986 | 20.1141 | 21.7430 | 19.6266 |
| 100268 | 23.5863 | 23.9249 | 24.0538 | 23.8633 |
| 100269 | 21.2047 | 21.6724 | 22.5114 | 21.8200 |
| 100270 | 19.8576 | 15.1462 | 16.7148 | 17.2012 |
| 100271 | 19.9208 | 20.4824 | 20.8695 | 20.4494 |
| 100275 | 21.3273 | 20.9188 | 21.4904 | 21.2374 |
| 100276 | 21.9797 | 22.3646 | 24.1022 | 22.8308 |
| 100277 | 16.1410 | 16.6255 | 19.7241 | 17.0041 |
| 100279 | 23.0213 | 22.9095 | 22.5879 | 22.8402 |
| 100280 | 16.5851 | 17.3676 | 18.1972 | 17.4129 |
| 100281 | 22.0202 | 22.4392 | 23.0142 | 22.5262 |
| 100282 | 19.7717 | 19.1978 | 18.4884 | 19.1653 |
| 100284 | * | * | 18.9448 | 18.9448 |
| 110001 | 18.0571 | 19.1971 | 20.1150 | 19.1086 |
| 110002 | 17.3674 | 17.1406 | 19.5158 | 18.0122 |
| 110003 | 16.9099 | 18.1168 | 17.1450 | 17.3940 |
| 110004 | 18.9468 | 19.5591 | 19.7733 | 19.4194 |
| 110005 | 19.2639 | 17.7348 | 22.4568 | 20.0888 |
| 110006 | 20.1273 | 20.7820 | 21.0601 | 20.6571 |
| 110007 | 23.4976 | 21.9505 | 25.2523 | 23.5682 |
| 110008 | 18.2642 | 22.0081 | 18.5265 | 19.5622 |
| 110009 | 14.8218 | 16.3069 | 17.4306 | 16.2843 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 110010 | 24.5493 | 23.3213 | 23.9104 | 23.9180 |
| 110011 | 18.2846 | 18.6144 | 18.9823 | 18.6368 |
| 110013 | 16.0264 | 16.2811 | 18.9160 | 17.1183 |
| 110014 | 16.1168 | 16.0658 | 18.1787 | 16.7192 |
| 110015 | 19.4769 | 21.2146 | 20.9926 | 20.5614 |
| 110016 | 15.2967 | 22.5321 | 14.2398 | 16.6540 |
| 110017 | 10.5399 | 13.1960 | 22.2537 | 15.3899 |
| 110018 | 21.0415 | 19.6064 | 22.1480 | 20.9298 |
| 110020 | 18.5251 | 18.3147 | 19.4617 | 18.7736 |
| 110023 | 18.6460 | 21.1994 | 22.0546 | 20.5885 |
| 110024 | 19.7923 | 20.7297 | 20.7345 | 20.4144 |
| 110025 | 18.6463 | 19.5749 | 20.4232 | 19.5033 |
| 110026 | 16.1414 | 17.2977 | 16.2484 | 16.5517 |
| 110027 | 14.6834 | 16.0642 | 14.7081 | 15.1696 |
| 110028 | 19.8894 | 20.1547 | 29.1670 | 22.3800 |
| 110029 | 20.0507 | 20.2906 | 21.2150 | 20.5454 |
| 110030 | 17.6785 | 18.8105 | 19.6412 | 18.7203 |
| 110031 | 21.5794 | 19.9482 | 20.0553 | 20.4598 |
| 110032 | 16.1859 | 15.7349 | 18.2014 | 16.6413 |
| 110033 | 21.4143 | 22.1879 | 25.6335 | 22.9577 |
| 110034 | 18.1882 | 19.6055 | 19.5554 | 19.0987 |
| 110035 | 21.1670 | 19.3795 | 22.7950 | 21.1658 |
| 110036 | 24.4181 | 22.2498 | 20.7284 | 22.3301 |
| 110038 | 16.3750 | 17.7060 | 17.7396 | 17.2680 |
| 110039 | 20.7710 | 20.6011 | 20.4998 | 20.6248 |
| 110040 | 16.4043 | 17.0743 | 16.8083 | 16.7529 |
| 110041 | 16.6927 | 18.8035 | 20.2755 | 18.6583 |
| 110042 | 20.6503 | 24.0153 | 25.2331 | 23.2575 |
| 110043 | 17.2175 | 20.1016 | 20.6150 | 19.2219 |
| 110044 | 19.5983 | 16.3624 | 17.2087 | 17.5794 |
| 110045 | 19.9445 | 20.2498 | 21.3049 | 20.4714 |
| 110046 | 19.2327 | 19.7377 | 21.4905 | 20.1167 |
| 110048 | 15.6463 | 16.3148 | 15.6113 | 15.8483 |
| 110049 | 14.2135 | 16.1817 | 16.8639 | 15.7669 |
| 110050 | 18.7516 | 20.7619 | 19.2291 | 19.5578 |
| 110051 | 15.7475 | 17.0070 | 17.2292 | 16.6496 |
| 110052 | 15.0562 | * | * | 15.0562 |
| 110054 | 19.2712 | * | 20.0549 | 19.6625 |
| 110056 | 16.4960 | 15.6202 | 17.7959 | 16.7305 |
| 110059 | 17.6984 | 16.6678 | 16.7990 | 17.0253 |
| 110061 | 13.7196 | 15.0367 | 16.3557 | 15.0889 |
| 110062 | 12.2107 | 18.8019 | 17.0053 | 16.1264 |
| 110063 | 17.9743 | 16.9612 | 18.5071 | 17.7965 |
| 110064 | 18.3368 | 18.9515 | 19.1203 | 18.8163 |
| 110065 | 13.3245 | 15.6771 | 16.3546 | 15.1604 |
| 110066 | 20.6502 | 21.0207 | 22.4189 | 21.3274 |
| 110069 | 18.3519 | 19.3109 | 20.9575 | 19.5384 |
| 110070 | 18.2264 | 21.0227 | 17.3438 | 18.7743 |
| 110071 | 14.8902 | 14.5984 | 18.8321 | 15.8863 |
| 110072 | 12.4303 | 12.7877 | 12.7625 | 12.6652 |
| 110073 | 15.1377 | 15.4261 | 16.4658 | 15.6663 |
| 110074 | 20.7572 | 21.3945 | 22.3769 | 21.5169 |
| 110075 | 17.0067 | 18.5199 | 20.1757 | 18.5793 |
| 110076 | 20.4430 | 21.2867 | 21.9798 | 21.2384 |
| 110078 | 24.7069 | 22.3718 | 24.0893 | 23.6954 |
| 110079 | 20.1385 | 21.0593 | 22.1070 | 21.0913 |
| 110080 | 23.4336 | 18.4768 | 19.1839 | 20.1449 |
| 110082 | 22.0078 | 23.8768 | 24.3140 | 23.4175 |
| 110083 | 21.3578 | 23.1219 | 23.1463 | 22.5746 |
| 110086 | 14.9756 | 18.2815 | 16.6374 | 16.5417 |
| 110087 | 20.5420 | 21.7773 | 22.7069 | 21.7189 |
| 110089 | 18.5761 | 18.5587 | 19.3855 | 18.8318 |
| 110091 | 21.3789 | 19.5114 | 21.5328 | 20.7784 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 110092 | 15.0890 | 17.3479 | 16.9725 | 16.4433 |
| 110093 | 14.8049 | * | 16.9827 | 15.7486 |
| 110094 | 13.8658 | 14.5641 | 16.9503 | 15.0650 |
| 110095 | 15.9478 | 16.4670 | 17.1195 | 16.5075 |
| 110096 | 16.3202 | 16.8541 | 17.4157 | 16.8647 |
| 110097 | 15.6164 | 15.5811 | 17.4558 | 16.1121 |
| 110098 | 14.0067 | 16.3532 | 16.0597 | 15.3226 |
| 110100 | 20.3764 | 18.6978 | 19.0764 | 19.3213 |
| 110101 | 11.7278 | 10.8187 | 18.8491 | 12.7872 |
| 110103 | 11.9352 | 13.6842 | 21.1837 | 14.0859 |
| 110104 | 15.3184 | 15.7781 | 15.9431 | 15.6829 |
| 110105 | 16.5196 | 16.8909 | 16.7775 | 16.7306 |
| 110107 | 17.3921 | 19.3609 | 19.3897 | 18.7335 |
| 110108 | 15.1401 | 19.7938 | 25.2161 | 19.3940 |
| 110109 | 16.3703 | 15.9359 | 16.4031 | 16.2270 |
| 110111 | 17.3215 | 18.5108 | 18.3951 | 18.0800 |
| 110112 | 19.1288 | 19.0619 | 19.8986 | 19.3117 |
| 110113 | 15.1896 | 16.8179 | 15.9532 | 15.9721 |
| 110114 | 15.1303 | 14.6888 | 16.4812 | 15.4358 |
| 110115 | 24.8332 | 43.9427 | 22.5049 | 27.8401 |
| 110118 | 15.3992 | 20.5368 | 19.7509 | 18.5122 |
| 110120 | 15.1878 | 15.2589 | 17.7452 | 15.9897 |
| 110121 | 15.5792 | 16.2711 | 19.3643 | 17.0685 |
| 110122 | 18.8497 | 21.1385 | 21.1469 | 20.3688 |
| 110124 | 17.1306 | 17.5732 | 18.3366 | 17.6460 |
| 110125 | 17.3254 | 19.1311 | 18.0090 | 18.1411 |
| 110127 | 13.7612 | 14.6143 | 20.3765 | 16.2641 |
| 110128 | 18.9705 | 18.1845 | 18.0835 | 18.4293 |
| 110129 | 18.1208 | 18.9388 | 19.0001 | 18.6851 |
| 110130 | 13.0779 | 16.0580 | 14.6011 | 14.6559 |
| 110132 | 15.0231 | 16.0419 | 16.3943 | 15.8158 |
| 110134 | 11.5583 | 12.5723 | 19.8639 | 15.1252 |
| 110135 | 17.0834 | 17.4380 | 17.3504 | 17.2967 |
| 110136 | 16.1680 | 18.0639 | 16.9629 | 16.8702 |
| 110140 | 17.8806 | 17.8870 | 17.7915 | 17.8571 |
| 110141 | 12.5051 | 13.2501 | 14.4935 | 13.4024 |
| 110142 | 12.3029 | 14.6144 | 13.9525 | 13.5947 |
| 110143 | 21.6898 | 20.1603 | 22.5926 | 21.5352 |
| 110144 | 17.9766 | 16.8685 | 17.5112 | 17.4397 |
| 110146 | 17.6068 | 16.1316 | 17.1835 | 16.9320 |
| 110149 | 22.2256 | 17.7535 | 32.1975 | 23.0615 |
| 110150 | 18.7724 | 20.2644 | 21.2909 | 20.0962 |
| 110152 | 14.7674 | 15.3996 | 15.1324 | 15.1011 |
| 110153 | 18.6862 | 19.2744 | 20.5068 | 19.4781 |
| 110154 | 14.8067 | 14.9636 | 17.3761 | 15.6408 |
| 110155 | 17.1370 | 15.5306 | 16.5146 | 16.3434 |
| 110156 | 15.3422 | 14.7477 | 16.3876 | 15.4698 |
| 110161 | 20.8657 | 21.7153 | 22.2861 | 21.6563 |
| 110163 | 18.2016 | 20.4202 | 18.6637 | 19.0060 |
| 110164 | 19.4946 | 20.2074 | 21.2160 | 20.2947 |
| 110165 | 18.9974 | 21.2577 | 20.8030 | 20.3401 |
| 110166 | 19.8510 | 20.5882 | 20.5049 | 20.3148 |
| 110168 | 19.8178 | 20.6646 | 21.8058 | 20.8014 |
| 110169 | 18.7189 | 20.6385 | 22.6648 | 20.4216 |
| 110171 | 20.0874 | 23.7893 | 25.5296 | 22.6284 |
| 110172 | 25.4390 | 23.3730 | 23.6803 | 24.1715 |
| 110174 | 14.2978 | 13.7339 | 14.6199 | 14.1905 |
| 110176 | 22.3971 | * | * | 22.3971 |
| 110177 | 19.5888 | 20.7187 | 21.2796 | 20.5272 |
| 110178 | 16.8555 | 18.8306 | * | 17.8083 |
| 110179 | 20.5161 | 22.7841 | 22.0767 | 21.7231 |
| 110181 | 13.7195 | 14.0941 | 12.9798 | 13.6399 |
| 110183 | 21.1797 | 23.3826 | 22.5148 | 22.3473 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 110184 | 20.9465 | 22.1970 | 22.1920 | 21.7791 |
| 110185 | 16.2487 | 16.7246 | 17.7925 | 16.9013 |
| 110186 | 17.3398 | 17.4287 | 18.3178 | 17.6984 |
| 110187 | 21.4462 | 20.1154 | 19.8419 | 20.4516 |
| 110188 | 20.0548 | 24.8376 | 23.7032 | 22.6465 |
| 110189 | 18.8627 | 22.2715 | 20.8786 | 20.7023 |
| 110190 | 19.4318 | 18.5728 | 18.3649 | 18.7761 |
| 110191 | 19.1065 | 20.2033 | 21.4033 | 20.2583 |
| 110192 | 20.7660 | 21.4951 | 21.0486 | 21.1064 |
| 110193 | 18.7807 | 20.6380 | 20.7867 | 20.0518 |
| 110194 | 15.0937 | 15.1480 | 14.8115 | 15.0165 |
| 110195 | 10.5227 | 13.9135 | 12.7261 | 12.3146 |
| 110198 | 26.1898 | 24.1999 | 24.8646 | 25.0493 |
| 110200 | 17.2129 | 18.1862 | 17.7744 | 17.7301 |
| 110201 | 19.2438 | 20.4699 | 20.9497 | 20.2248 |
| 110203 | 20.2958 | 26.8148 | 22.7453 | 23.1944 |
| 110204 | 20.5728 | 19.7317 | 30.7342 | 21.7754 |
| 110205 | 26.1154 | 21.1435 | 21.3617 | 22.7145 |
| 110207 | 12.8710 | 12.9727 | 14.7154 | 13.5335 |
| 110208 | 14.8907 | 15.1742 | 15.6161 | 5.1789 |
| 110209 | 20.4640 | 17.9190 | 18.6404 | 18.9942 |
| 110211 | 21.8226 | 20.9372 | 26.9151 | 23.1427 |
| 110212 | 12.6583 | 11.8545 | 14.3790 | 12.8830 |
| 110213 | 13.1976 | 14.3651 | * | 13.7453 |
| 110215 | * | 20.1928 | 18.1539 | 19.0047 |
| 110216 | * | * | 27.1878 | 27.1878 |
| 120001 | 26.7134 | 27.9213 | 29.0427 | 27.8237 |
| 120002 | 24.3780 | 25.0744 | 25.2021 | 24.8896 |
| 120003 | 23.8452 | 25.9059 | 23.9115 | 24.5394 |
| 120004 | 24.0456 | 23.9208 | 24.8632 | 24.2413 |
| 120005 | 20.5380 | 23.3975 | 24.1662 | 22.6197 |
| 120006 | 23.7151 | 25.0895 | 25.8943 | 24.8700 |
| 120007 | 23.2684 | 22.7200 | 22.8772 | 22.9509 |
| 120009 | 19.0216 | 17.4693 | 16.4485 | 17.5600 |
| 120010 | 25.3976 | 25.1480 | 24.1923 | 24.8868 |
| 120011 | 33.5459 | 35.0582 | 37.2759 | 35.3313 |
| 120012 | 22.5219 | 23.1144 | 21.8507 | 22.5391 |
| 120014 | 24.0467 | 22.8866 | 24.1208 | 23.6739 |
| 120015 | 29.0747 | 32.9906 | 42.6465 | 33.1800 |
| 120016 | 29.4104 | 27.9127 | 45.1899 | 31.1230 |
| 120018 | 25.6088 | 24.5031 | 31.1879 | 26.2841 |
| 120019 | 21.9199 | 22.9341 | 25.5659 | 23.4285 |
| 120021 | 19.4236 | 23.4508 | 23.1839 | 21.8865 |
| 120022 | 17.9306 | 21.7868 | 19.2614 | 19.5032 |
| 120024 | 22.2846 | 29.4808 | 32.2514 | 26.8486 |
| 120025 | 19.0197 | 20.1065 | 50.6376 | 21.3455 |
| 120026 | 23.2237 | 26.0787 | 25.1314 | 24.7719 |
| 120027 | 24.5549 | 24.7255 | 24.4535 | 24.5737 |
| 120028 | 23.4873 | 27.5023 | 27.0897 | 25.8902 |
| 130001 | 24.9511 | 18.8471 | 17.6306 | 20.1752 |
| 130002 | 16.1853 | 16.6620 | 16.9867 | 16.6200 |
| 130003 | 19.9499 | 21.7313 | 22.3430 | 21.3583 |
| 130005 | 20.1678 | 20.7169 | 21.2386 | 20.7149 |
| 130006 | 18.8705 | 19.3392 | 20.4614 | 19.5797 |
| 130007 | 19.8442 | 20.8338 | 21.8107 | 20.8426 |
| 130008 | 12.9177 | 12.5506 | 13.6018 | 12.9892 |
| 130009 | 18.2958 | 19.1837 | 15.9701 | 17.7296 |
| 130010 | 21.4325 | 17.6795 | 17.5119 | 18.7875 |
| 130011 | 19.0816 | 20.5031 | 20.1147 | 19.9190 |
| 130012 | 22.6153 | 22.9813 | 24.9976 | 23.5891 |
| 130013 | 19.2170 | 17.4038 | 15.1129 | 17.1523 |
| 130014 | 17.9836 | 18.9769 | 19.2107 | 18.7286 |
| 130015 | 15.2662 | 15.7233 | 18.5913 | 16.3849 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 130016 | 16.9987 | 17.3942 | 19.0516 | 17.7864 |
| 130017 | 16.8822 | 17.1710 | 19.6875 | 17.7220 |
| 130018 | 17.9651 | 19.7368 | 19.8425 | 19.2288 |
| 130019 | 17.2317 | 18.6648 | 19.1711 | 18.3322 |
| 130021 | 12.2562 | 12.8588 | 15.6155 | 13.6528 |
| 130022 | 19.5040 | 16.5270 | 18.9127 | 18.2241 |
| 130024 | 18.3789 | 19.3634 | 19.0703 | 18.9600 |
| 130025 | 15.2691 | 17.5213 | 16.4627 | 16.4881 |
| 130026 | 20.5535 | 21.5934 | 21.8106 | 21.3093 |
| 130027 | 20.7044 | 21.4279 | 20.5344 | 20.8883 |
| 130028 | 18.2074 | 19.1093 | 20.9674 | 19.4388 |
| 130029 | 20.3153 | 18.4263 | 18.7694 | 19.1364 |
| 130030 | 18.3981 | 17.8440 | 17.5759 | 17.9347 |
| 130031 | 17.6458 | 16.2397 | 16.7766 | 16.8967 |
| 130034 | 18.8164 | 16.9873 | 18.9483 | 18.2785 |
| 130035 | 20.4708 | 19.3478 | 20.7770 | 20.1943 |
| 130036 | 13.7942 | 13.7933 | 13.6362 | 13.7373 |
| 130037 | 17.7374 | 18.8071 | 18.6856 | 18.3986 |
| 130043 | 16.0686 | 16.5102 | 16.7904 | 16.4511 |
| 130044 | 13.1816 | 17.8160 | 13.4513 | 14.6424 |
| 130045 | 16.4655 | 16.0990 | 19.0208 | 17.0869 |
| 130048 | 15.0924 | 16.0899 | 16.7900 | 15.9311 |
| 130049 | 20.3928 | 20.3129 | 22.4440 | 21.0760 |
| 130054 | 17.7802 | 17.2729 | 17.7085 | 17.5766 |
| 130056 | 15.6551 | 14.6862 | 20.9476 | 16.5492 |
| 130058 | 17.7462 | * | * | 17.7462 |
| 130060 | 20.8508 | 21.8662 | 22.7399 | 21.8288 |
| 130061 | 16.7839 | 15.4006 | 14.7394 | 15.6929 |
| 130062 | 15.1086 | 16.5672 | 19.8157 | 17.1915 |
| 130063 | * | 15.9441 | 18.8024 | 17.8420 |
| 140001 | 15.4448 | 16.3372 | 17.7990 | 16.4814 |
| 140002 | 19.2575 | 19.0248 | 19.9284 | 19.3999 |
| 140003 | 18.0001 | 21.2886 | 17.8595 | 18.9466 |
| 140004 | 17.5200 | 15.7042 | 17.4574 | 16.8965 |
| 140005 | 10.8718 | 11.6127 | 12.3002 | 11.5858 |
| 140007 | 22.4015 | 22.9799 | 23.8585 | 23.0838 |
| 140008 | 21.2844 | 21.6548 | 22.1111 | 21.6838 |
| 140010 | 25.2227 | 31.8207 | 28.5635 | 28.3677 |
| 140011 | 17.2856 | 17.8676 | 18.6164 | 17.9499 |
| 140012 | 19.4406 | 23.0653 | 21.4374 | 21.2652 |
| 140013 | 17.3488 | 18.3060 | 19.6722 | 18.4213 |
| 140014 | 20.7563 | 22.4737 | 21.4042 | 21.5054 |
| 140015 | 15.0232 | 16.6735 | 17.6805 | 16.4314 |
| 140016 | 12.5363 | 13.1278 | 14.4938 | 13.3972 |
| 140018 | 21.4147 | 22.3070 | 22.4132 | 22.0345 |
| 140019 | 15.3435 | 16.6548 | 16.4254 | 16.1654 |
| 140024 | 14.6674 | 16.8271 | 15.3782 | 15.5912 |
| 140025 | 16.9489 | 16.9462 | 18.5135 | 17.4713 |
| 140026 | 15.9557 | 16.6612 | 18.3220 | 16.9446 |
| 140027 | 17.5023 | 18.7553 | 19.2149 | 18.5013 |
| 140029 | 21.0358 | 22.8322 | 26.0833 | 23.2140 |
| 140030 | 22.4414 | 21.9475 | 23.1760 | 22.5308 |
| 140031 | 15.9442 | 19.5731 | 17.6067 | 17.6942 |
| 140032 | 17.3363 | 18.1058 | 19.0383 | 18.1645 |
| 140033 | 22.5583 | 24.1722 | 25.1639 | 23.9291 |
| 140034 | 19.1482 | 19.5278 | 19.8792 | 19.5183 |
| 140035 | 12.9963 | 15.2649 | 15.5040 | 14.5633 |
| 140036 | 17.0419 | 18.5771 | 19.1076 | 18.2935 |
| 140037 | 12.5012 | 13.0764 | 14.1083 | 13.2105 |
| 140038 | 17.6094 | 18.3035 | 18.4948 | 18.1352 |
| 140040 | 16.2462 | 19.9267 | 16.7450 | 17.5895 |
| 140041 | 17.2829 | 17.6582 | 18.5952 | 17.8248 |
| 140042 | 15.6092 | 15.4095 | 15.8892 | 15.6354 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 140043 | 18.9464 | 19.4683 | 20.1176 | 19.5022 |
| 140045 | 20.6541 | 15.5807 | 17.7799 | 17.9528 |
| 140046 | 16.4621 | 18.9763 | 18.6371 | 18.0097 |
| 140047 | 16.3298 | 17.1539 | 13.3610 | 15.4382 |
| 140048 | 20.5773 | 24.0913 | 23.9545 | 22.8943 |
| 140049 | 21.5937 | 28.4958 | 26.9483 | 25.7338 |
| 140051 | 20.8455 | 23.8264 | 24.0796 | 22.8956 |
| 140052 | 19.6045 | 19.6409 | 17.9571 | 19.0338 |
| 140053 | 17.8218 | 19.1892 | 19.9620 | 18.9702 |
| 140054 | 26.1497 | 22.1921 | 23.1576 | 23.7695 |
| 140055 | 14.8031 | 16.3404 | 14.3603 | 15.1391 |
| 140058 | 17.2716 | 17.4927 | 18.6861 | 17.8100 |
| 140059 | 15.3934 | 15.0195 | * | 15.1978 |
| 140061 | 15.9612 | 17.3012 | 18.2039 | 17.1185 |
| 140062 | 27.0912 | 28.0877 | 28.5304 | 27.9131 |
| 140063 | 22.3882 | 25.3641 | 29.1453 | 25.1919 |
| 140064 | 19.2549 | 19.1023 | 18.9379 | 19.0960 |
| 140065 | 23.1610 | 24.1128 | 25.3336 | 24.1516 |
| 140066 | 16.1759 | 17.3902 | 13.6491 | 15.5770 |
| 140067 | 18.4031 | 19.3267 | 19.5292 | 19.0846 |
| 140068 | 18.8739 | 19.9691 | 21.6188 | 20.0995 |
| 140069 | 16.1453 | 16.7544 | 17.3879 | 16.7949 |
| 140070 | 19.2995 | 22.9678 | 22.7153 | 21.2244 |
| 140074 | 19.0077 | 19.3504 | 21.6052 | 19.9120 |
| 140075 | 22.5083 | 21.6313 | 21.6434 | 21.9439 |
| 140077 | 16.6447 | 17.5305 | 17.3647 | 17.1709 |
| 140079 | 21.9205 | 23.3020 | 23.6928 | 22.9153 |
| 140080 | 20.9999 | 21.0739 | 22.1968 | 21.3875 |
| 140081 | 15.5103 | 16.2247 | 16.9808 | 16.1897 |
| 140082 | 22.6227 | 23.8960 | 29.7262 | 24.9037 |
| 140083 | 18.1349 | 19.3145 | 21.0330 | 19.4951 |
| 140084 | 20.0133 | 20.9709 | 22.3467 | 21.0939 |
| 140086 | 17.3717 | 18.3803 | 19.1613 | 18.3356 |
| 140087 | 18.3639 | 16.1009 | 17.1147 | 17.1839 |
| 140088 | 24.2568 | 25.2369 | 25.4176 | 24.9650 |
| 140089 | 17.2086 | 17.6366 | 18.3157 | 17.7164 |
| 140090 | 23.5888 | 26.4325 | 26.9364 | 25.3709 |
| 140091 | 20.7039 | 20.9018 | 21.9322 | 21.1441 |
| 140093 | 19.1469 | 18.2899 | 20.1528 | 19.1437 |
| 140094 | 20.6129 | 21.4709 | 21.9383 | 21.3227 |
| 140095 | 21.5376 | 24.0549 | 24.2859 | 23.1400 |
| 140097 | 16.8997 | 17.5081 | 21.1719 | 18.4160 |
| 140100 | 19.0588 | 21.3581 | 23.1399 | 21.1571 |
| 140101 | 26.0894 | 21.5473 | 21.4211 | 22.7744 |
| 140102 | 15.0777 | 17.1500 | 17.5729 | 16.5644 |
| 140103 | 17.8586 | 19.2783 | 18.1303 | 18.4145 |
| 140105 | 20.9068 | 22.6573 | 22.8944 | 22.1275 |
| 140107 | 12.7573 | 13.7533 | 11.8383 | 12.6800 |
| 140108 | 28.6028 | 25.4742 | 26.9971 | 26.9964 |
| 140109 | 15.4724 | 15.7465 | 14.5498 | 15.2467 |
| 140110 | 18.8112 | 19.1822 | 19.2888 | 19.0728 |
| 140112 | 16.2399 | 17.6856 | 17.6974 | 17.1885 |
| 140113 | 17.9151 | 19.0592 | 19.5584 | 18.8265 |
| 140114 | 20.4808 | 21.1639 | 21.0976 | 20.9149 |
| 140115 | 20.0939 | 21.1926 | 21.0433 | 20.7564 |
| 140116 | 21.8290 | 23.1177 | 23.8993 | 22.9520 |
| 140117 | 19.6445 | 21.5671 | 21.4876 | 20.8750 |
| 140118 | 23.0797 | 23.5952 | 24.3260 | 23.6559 |
| 140119 | 26.5042 | 29.1419 | 27.9145 | 27.8197 |
| 140120 | 14.8375 | 18.0743 | 17.9716 | 16.8874 |
| 140121 | 9.5268 | 16.0397 | 16.6993 | 13.2257 |
| 140122 | 23.7473 | 24.6470 | 26.1270 | 24.8110 |
| 140124 | 26.9706 | 27.1906 | 27.9813 | 27.3549 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.

TABLE 2.—HOSPITAL AVERAGE HOURLY WAGE FOR FEDERAL FISCAL YEARS 2000 (1996 WAGE DATA), 2001 (1997 WAGE DATA) AND 2002 (1998 WAGE DATA) WAGE INDEXES AND 3-YEAR AVERAGE OF HOSPITAL AVERAGE HOURLY WAGES—Continued

| Provider No. | Average Hourly Wage FY 00 | Average Hourly Wage FY 01 | Average Hourly Wage FY 02 | Average** Hourly Wage (3 yrs) |
|---|---|---|---|---|
| 140125 | 17.0974 | 17.6759 | 16.9516 | 17.2453 |
| 140127 | 19.4259 | 19.8973 | 20.0489 | 19.7765 |
| 140128 | 17.6751 | 19.4955 | 23.1327 | 20.0664 |
| 140129 | 15.2494 | 18.2639 | 20.2868 | 17.8627 |
| 140130 | 23.7682 | 22.2285 | 23.4298 | 23.1296 |
| 140132 | 23.0443 | 23.5475 | 23.3054 | 23.2992 |
| 140133 | 19.9083 | 21.4090 | 21.4166 | 20.8761 |
| 140135 | 17.6927 | 17.8100 | 17.3985 | 17.6268 |
| 140137 | 16.5141 | 16.8969 | 18.6330 | 17.3470 |
| 140138 | 14.5877 | 16.7420 | 17.1968 | 16.2121 |
| 140139 | 16.5794 | 14.0619 | 11.0397 | 13.5138 |
| 140140 | 15.2985 | 17.8243 | 17.6845 | 16.9747 |
| 140141 | 15.1782 | 17.5204 | 19.1097 | 17.2133 |
| 140143 | 18.7616 | 19.1862 | 19.0810 | 19.0186 |
| 140144 | 19.7913 | 21.3245 | 22.2864 | 21.1022 |
| 140145 | 16.6111 | 17.5471 | 18.1788 | 17.4556 |
| 140146 | 23.7400 | 21.9573 | 19.9704 | 21.7285 |
| 140147 | 24.8191 | 16.1336 | 18.8049 | 19.2135 |
| 140148 | 19.5026 | 18.6598 | 18.7730 | 18.9637 |
| 140150 | 27.8485 | 27.3378 | 24.7976 | 26.6536 |
| 140151 | 19.3016 | 21.3896 | 20.0310 | 20.2086 |
| 140152 | 22.4270 | 24.6333 | 25.6011 | 24.1041 |
| 140155 | 17.3131 | 19.9738 | 20.2778 | 19.1103 |
| 140158 | 22.2666 | 22.7639 | 22.7988 | 22.5990 |
| 140160 | 17.8822 | 17.7691 | 17.7921 | 17.8132 |
| 140161 | 19.0448 | 20.0948 | 20.3799 | 19.8258 |
| 140162 | 18.4167 | 19.6464 | 20.3452 | 19.4479 |
| 140164 | 18.6120 | 18.7806 | 18.6589 | 18.6860 |
| 140165 | 15.4186 | 14.9156 | 14.7223 | 15.0080 |
| 140166 | 17.5434 | 17.5496 | 18.3833 | 17.8149 |
| 140167 | 16.5671 | 17.1479 | 17.6525 | 17.1325 |
| 140168 | 16.4638 | 16.6770 | 17.7453 | 16.9752 |
| 140170 | 14.1360 | 16.1621 | 16.4107 | 15.5211 |
| 140171 | 14.7316 | 14.1637 | 15.0237 | 14.6354 |
| 140172 | 20.7982 | 23.8431 | 23.6262 | 22.5610 |
| 140173 | 18.4788 | 15.1487 | 16.3924 | 16.7054 |
| 140174 | 19.9216 | 20.5339 | 35.9320 | 23.2157 |
| 140176 | 21.4129 | 23.2866 | 24.5338 | 23.0397 |
| 140177 | 18.1692 | 18.2648 | 15.0827 | 17.1204 |
| 140179 | 22.6989 | 21.1948 | 21.9859 | 21.9622 |
| 140180 | 23.2536 | 22.4548 | 22.7996 | 22.8262 |
| 140181 | 20.5461 | 20.8709 | 21.9864 | 21.1001 |
| 140182 | 20.7013 | 22.0170 | 28.9515 | 23.2649 |
| 140184 | 14.9763 | 17.8155 | 17.2401 | 16.6194 |
| 140185 | 17.3616 | 17.6514 | 18.2867 | 17.7696 |
| 140186 | 18.9878 | 22.7890 | 23.5034 | 21.7241 |
| 140187 | 17.6910 | 17.9201 | 18.3331 | 17.9863 |
| 140188 | 14.8373 | 15.2479 | 16.1907 | 15.4001 |
| 140189 | 19.0791 | 21.0616 | 20.6627 | 20.2758 |
| 140190 | 15.8770 | 16.3366 | 17.5263 | 16.5534 |
| 140191 | 24.7368 | 25.8835 | 25.2628 | 25.2833 |
| 140193 | 15.5196 | 15.8022 | 17.4057 | 16.2409 |
| 140197 | 17.9828 | 18.6394 | 19.3774 | 18.6752 |
| 140199 | 18.8333 | 18.3507 | 18.0450 | 18.4044 |
| 140200 | 21.6508 | 21.5220 | 21.7680 | 21.6496 |
| 140202 | 22.1800 | 22.1939 | 23.7955 | 22.7597 |
| 140203 | 20.7854 | 19.9194 | 21.0848 | 20.5915 |
| 140205 | 17.2369 | 17.4751 | 20.0784 | 18.0505 |
| 140206 | 20.5096 | 21.3295 | 22.5109 | 21.4570 |
| 140207 | 20.2048 | 21.9779 | 22.3905 | 21.3996 |
| 140208 | 23.9441 | 25.9900 | 26.2527 | 25.3856 |
| 140209 | 17.7889 | 18.1206 | 20.1557 | 18.6405 |
| 140210 | 12.6648 | 15.6899 | 14.8248 | 14.4319 |

* Asterisk denotes wage data not available for the provider that year.
** The 3-year average hourly wage is weighted by salaries and hours.